

SUBMITTED TO:

Town of North Elba & Village of Lake Placid, NY

Short-Term Rental Assessment

TOWN OF NORTH ELBA &
VILLAGE OF LAKE PLACID, NY

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SHORT-TERM RENTAL BENCHMARKING MATRIX

Background

In order to compare the draft ordinance governing Short Term Rentals (STRs) in the Town North Elba/Lake Placid ('the client') to other cities and towns ('study areas') in the United States, a benchmarking matrix was created outlining key items that were either requested to be identified by the client, or were found to be consistent and prominent to the governing policies of STRs in the various study areas. In the matrix, these more granular policy items were analyzed and organized into four main categories:

- ◆ Definitions and Rental Limitations
- ◆ Permitting and Licensing Operations
- ◆ Rules and Regulations
- ◆ Violations, Penalties, and Appeals

In addition to the client study area, there are ten total study areas that were identified based on either the request of the client, their comparability to the Town of North Elba/Lake Placid (population size, seasonality, location to outdoor recreational amenities, etc.), or based on their notoriety of being known by many as national leaders in their oversight and governing policies pertaining to STRs. The following are the study areas associated with this analysis:

- Town of North Elba/Lake Placid
- City of Boulder, Colorado
- Town of Lake George, New York
- Town of Clyde Hill, Washington
- Town of Vail, Colorado
- City of Mountain View, California
- Redwood City, California
- City of Denver, Colorado
- San Francisco, California
- Boston, Massachusetts
- Town of Southampton, New York¹

¹The Town of Southampton, NY study area is not incorporated into the STR matrix as the town currently does not allow STRs to operate within its boundaries. Additional details can be found in the Town of Southampton section of this report.

Preliminary Findings

Below are preliminary findings summarizing the specific policy items analyzed in the benchmarking matrix. Generally, Camoin 310 found that the spectrum of STR regulations in the study areas ranged from those that explicitly spell out rules, regulations, permitting and application guidelines, and other considerations specifically related to the governance of STRs; and those that primarily reference existing code and/or other regulatory policies to govern the oversight of STRs:

Definitions and Rental Limitations

- ◆ A majority of study areas consider a STR to be a property that must not be rented for over 30 consecutive nights. Boston is the only exception with a 28-night limit.
- ◆ Annual rental limitation policies amongst the study areas are mixed, but can be generally summarized into the following:
 - Those with no limitations to the amount of days an STR can be rented annually;
 - Those with a finite limit to the number of days an STR can be rented annually (ranging from 60 to 120 days);
 - Those with a finite limit on the number of days a STR can be rented, unless the operator is living at the property full time, in-which there is no limitation on the number of days the STR can be rented.

HOW DOES THE TOWN OF NORTH ELBA COMPARE?

✓ Generally Aligns

The Town of North Elba draft ordinance defines an STR in a way that aligns with a majority of the study areas (30 consecutive night threshold).

✗ Does Not Generally Align

The North Elba ordinance is *unique* among comparison communities in having a blanket 90-day restriction on all short-term rentals. Of the three (3) comparison communities that restrict the number of days, the restrictions only apply to “unhosted” rentals where the owner/host is not present. These three communities are listed below, along with language pertaining to this regulation and how a ‘host’ or ‘hosted rental’ is defined:

San Francisco, CA

- ◆ Defines a permanent host operator as an owner who is home overnight at the same time as their guests. States that “to qualify as a permanent resident, operators must live in the unit for at least 275 nights of any given calendar year”.

Redwood City, CA

- ◆ States that “There shall be no limit on the number of days a primary residence may be occupied as a short-term rental where the host is present. For purposes Section 31.3, a host is considered present when they are on the premises at all times between the hours of 10:00 p.m. and 6:00am”.

City of Mountain View, CA

- ◆ States that “There shall be no limit on the number of days a property may be used as a ‘hosted’ short-term rental. Hosted rentals are defined as rentals where the operator is present onsite throughout the rental”.

Permitting and Licensing Operations

- ◆ All study areas require either a license or permit to operate a short-term rental. Many also require operators to apply for a business license and register with the body governing the collection of occupancy taxes.
- ◆ A majority of study areas task their planning and/or inspections departments with permitting oversight.
- ◆ Permits are generally issued for periods of 12-48 months, with a majority being issued for 12 months.
- ◆ Initial permitting fees range from \$25 to \$450, and in one case (City of Boston) depend on the type of unit being permitted. In one case (Mountain View, CA) the permit amount depends on the time of year the application is being received. Recertifications or annual renewal fees are often charged for those study areas with a permit period greater than 12 months.
- ◆ Only one study area (Redwood City) has a dedicated fund set-up whereas all STR fees are directed to address affordable housing issues in the City *(for information on this and how other municipalities not included in the matrix utilize all or a portion of STR tax and/or fee revenues see the 'Dedicated Funding to Support Affordable Housing and Other Local Initiatives' section of this report)*.
- ◆ A majority of study areas do not require site plans to be submitted along with STR applications.
- ◆ Property inspections are generally not required before permits are issued. In addition to a regular inspection schedule, a majority of the study areas explicitly state that they have the power to issue inspection notifications at any time based on a variety of reasons. Reasons range from being due to code violations to being at the complete discretion of an enforcement officer.

HOW DOES THE TOWN OF NORTH ELBA COMPARE?

✓ Generally Aligns

The Town of North Elba, like all study areas in the matrix, requires a permit to operate an STR. The client currently states that the fee will be set by resolution of the Village and Town Boards. Assuming a fixed fee is established for all rental permits regardless of the type of unit or time of year, it would align with the majority of study areas.

✗ Does Not Generally Align

The proposed permit length (24 months) does *not* align with a majority of the study areas who set their permit length at 12 months (only one comparison community, Boulder (48 months) was not 12-months). The Town of North Elba also does not indicate that any annual renewal fees will be due after 12 months, which does not align with the study area that issues permits for longer than 12 months. The Town of North Elba also has an exemption from permitting fees (if the STR is rented for 14 days or less), which is unique relative to the comparison communities.

Rules and Regulations

- ◆ Almost half of the study areas require that the operator/host be the primary resident of the property. If the property is being leased, many study areas require the leasee to obtain written signature of approval to operate an STR from the property owner or management company.
- ◆ None of the study area's have explicit policy variations applicable to shared ownership properties such as timeshares, other than some which require all ownership parties to sign legal affirmation document stating understanding and compliance of rules and regulations.

- ◆ A majority of the study areas require a signed affidavit or other legal document stating compliance and understanding of the local STR rules and regulations.
- ◆ A majority of study areas do not have restrictions regulating the location of where STRs can operate. The limited study areas that do restrict their location based on existing zoning regulations.
- ◆ A majority of the study areas do not explicitly call out any additional policies outside of existing residential code that is applicable to septic systems in STRs, although some require them to be clearly marked for renters.
- ◆ A little over half of the study areas require certain information to be posted in the STR for any renters. Generally, a majority of study areas require information including the permit number of the STR and the emergency and other contact information of the property owner or manager. One study area (Clyde Hill) also requires operators to post more granular information referring to rules and regulations governing STRs (parking limitations, occupancy limitations, etc.).
- ◆ A majority of the study areas point to existing parking regulations and restrictions in their municipal codes as the guiding policy to apply to STRs. Many also explicitly restrict parking outside of designated parking areas (driveways or garages).
- ◆ Occupancy limitations for STRs in the study areas can generally be sorted into the following two categories:
 - Reference existing state or local occupancy code and regulations to be applicable to STRs.
 - Link occupancy limitations to a formula based on the number of bedrooms in the unit.
- ◆ A majority of study areas do not have occupancy policies that vary by day/night.
- ◆ In most cases, the property manager's name and contact information is required to be posted within the STR for renters to reference. Many study areas require the property owner and/or manager to be located within a certain range of the STR and require them to be available 24/7 to resolve any issues with the STR. Many also require any issues that do arise to be resolved within a certain timeframe of notification.
- ◆ Some study areas require the STR owner and/or property manager's contact information to be made available to local safety agencies, and in one case STR operators are required to give this information to adjacent property owners.
- ◆ Event (wedding, banquets, concerts, parties, etc.) limitations can generally be categorized into the following two categories:
 - No direct restrictions on events being held;
 - Total restriction on any large gathering or event.

HOW DOES THE TOWN OF NORTH ELBA COMPARE?

✓ Generally Aligns

- Inspections are not required to obtain a permit, but it is left at the total discretion of an enforcement officer to issue an inspection based on violation or reasonable cause.
- Specific policies related to properties with shared/fractional ownership (e.g. timeshares) are not called out explicitly in the Town of North Elba draft ordinance.
- The Town of North Elba requires a signed legal document stating understanding and compliance of regulations.
- The Town of North Elba does not limit the location of where STRs can operate.
- The Town of North Elba utilizes a formula-based approach to occupancy limitations (based on number of bedrooms). The other study areas are generally split in the way they limit occupancy (some refer to existing code while others use a similar formula-based approach).
- The Town of North Elba requires a property manager to be located within a finite drive-time/distance from the STR and also requires them to be available 24/7 to address any issues at the STR.

✗ Does Not Generally Align

- The Town of North Elba, *unlike* a majority of study areas, requires a site plan to be reviewed and submitted during the permitting process.
- The Town of North Elba has occupancy limitations that vary by day/night. Only one other study area (Vail) explicitly calls out occupancy limitations varying by day/night.
- North Elba has the most detailed requirements for septic units in STRs, requiring inspections to be completed before permits are approved (note that this may be due to the number of housing units that utilize septic systems in North Elba when compared to the other study areas).
- The Town of North Elba is on the lower end of the spectrum in regard to the amount of information that is required to be posted in the STR (i.e. contact information) for renters.
- The Town of North Elba has one of the more detailed parking restriction policies compared to the other study areas, which commonly reference existing residential parking restrictions on top of explicitly calling out that only dedicated areas on properties may be used for parking (limits parking on lawns and other areas of the property).
- Event policies related to STRs vary by study area, but for the most part are restricted based on explicit ordinance language or existing residential code references. North Elba is an outlier in regard to their event policy and allowing events up until 10pm, but also references existing code restrictions as a supplemental governing policy resource.
- The Town of North Elba does not require the STR to be the owner's primary residence.

Violations, Penalties, and Appeals

- ◆ Penalties for offenses vary within the study areas. A majority of the study areas have tiered monetary penalties based on the offense violated, and/or the violation frequency.
- ◆ Some study area penalties vary based on the number of the offense (first, second, third time offenses, etc.) with permits being revoked after a certain number of offenses or complaints in a prescript period of time.
- ◆ All of the study areas reference a majority of penalties as being civil offenses.
- ◆ Some study areas don't have explicit penalties for STRs, and reference existing code violation penalties as being applicable for STRs.
- ◆ The study areas have an equal mix of those that have a formal appeal process for violations, and those that do not.
- ◆ About half of the study areas reserve the right to revoke STR permits at any time due to code violation(s). Many study areas have a 'three strike' policy over a finite period of time whereas permits can be revoked.
- ◆ Many of the study areas have an online portal where complaints can be made.

HOW DOES THE TOWN OF NORTH ELBA COMPARE?

✓ Generally Aligns

- The Town of North Elba aligns with a majority of the study areas in regard to fiscal penalties for offenses being tiered based on criteria such as the number of the offense, and/or violation days outstanding.
- The Town of North Elba aligns with half of the study areas in regard to explicitly defining a formal appeal process.
- Like all other study areas, offenses are primarily civil in nature.

✗ Does Not Generally Align

- North Elba is the only Town/City that mentions the formation of a specific STR review committee (many study areas utilize existing appeals and review committees instead).

Town of Southampton, NY Short Term Rental Policy Summary

The Town of Southampton, unlike the other study areas in this analysis, chose initially to implement a more restrictive policy stance pertaining to the operation of short-term rentals, in which they banned their operation within the town. In their municipal code, the town refers to STRs as 'transient rentals', with transient being defined in the code as 'a rental period of 14 days or less'.

Since their initial policy stance, the town has made one revision to their rental code in which they state that they will potentially make exceptions to their restrictive stance if the Town Board determines that additional rental capacity is needed for large events (this exception was added primarily to address potential rental supply issues during the 2018 US Open golf tournament). The amended code specifically reads as follows: "A transient rental is prohibited, except when, after a determination has been made by the Town Board that local transient housing capacity is likely to be inadequate during a regionally significant event, the Town Board may, by resolution, temporarily suspend the transient rental prohibition for specific dates".

In 2018, the town board unanimously voted to temporarily suspend restrictions on short term rentals via resolution six months in advance of the US Open golf Tournament, and individuals were allowed to apply for rental permits. These rentals still had to adhere to the existing rental regulatory policy governing rentals, and had to go through the standard permit application process outlined by the town.

Dedicated Funding to Support Affordable Housing and Other Local Initiatives

Dedicated special revenue funds that are funded by revenues from activities that have a nexus to the issues that the fund is trying to address is not an uncommon practice. For example, a town may charge a linkage fee on new development projects whereas those fees are dedicated to building affordable housing units in the town. Others may use fees from waste collection services to fund water conservation projects, may use incremental taxes on items containing high amounts of sugar like soda to fund the creation of new parks or recreation centers, or may utilize revenues from fees applied to ride sharing services to address transportation infrastructure maintenance or upgrades.

The idea of dedicating certain portions of tax increment or permitting fees from STRs to special revenue funds meant to address issues that may have a direct nexus to the rise of STRs has been contemplated and in some cases enacted in towns, cities, and states throughout the country. Primarily, this revenue has been used to address affordable housing related projects, and revenues are derived from an increment of occupancy tax applied to STR stays (as opposed to fee revenues, which in many cases are not substantial enough alone to be used directly or indirectly for affordable housing initiatives).

Looking at the study areas in the matrix included in this analysis, the only study area that has a fund set-up that captures revenues from STRs is Redwood City whereas a portion of STR taxes are directed to address affordable housing issues. Redwood City is the first community in the region to dedicate taxes generated by short-term housing to support affordable housing.

Below are some additional examples of ways that others have utilized STR tax increment or fees to address affordable housing or other issues:

State of Massachusetts

In recent years, the State of Massachusetts passed legislation related to the taxation and regulation of STRs. As with hotels and other lodging establishments in Massachusetts, the new law applied a 5.7% state excise tax on short-term rentals. Individual cities and towns may also impose a tax of up to 6% (6.5% for Boston). Additionally, towns and cities will be allowed to impose a “community impact fee” of up to 3% to help fund affordable housing and local building projects in the community. Cape Cod and the islands may also impose an additional tax up to 2.75% whereas revenues are transferred to the newly founded Cape Cod and Islands Water Protection Fund, which supports environmental conservation.

City of Portland, OR

The City of Portland dedicates more than a million dollars annually in lodging taxes from short-term rentals, which includes about 2,500 apartments, condominiums and homes listed on Airbnb to the city’s Housing Investment Fund (HIF). When the legislation was going through the city’s Council, members cited the need for the fund due to the nexus between the lack of available, affordable housing and the loss of housing stock as short-term rentals.

The City of New Orleans, LA

The City of New Orleans entered into an agreement with Airbnb and other STR companies to collect a \$1-per-night fee earmarked for the city's Neighborhood Housing Improvement Fund, which can be used for a variety of purposes, including providing incentives for developers willing to build affordable housing and to help low-income homebuyers.

Town of Telluride, CO

In the fall of 2019 the Town of Telluride, CO passed legislation that will enact an additional tax on short term rentals in the town beginning in 2020. The new 2.5% tax will feed into the town's Affordable Housing Fund, pushing the total tax on short-term rentals from 12.65% to 15.15%. The tax is not applied to hotel rooms. Telluride's affordable housing fund is utilized to directly support affordable housing projects or to help fund incentives for affordable housing development within the town.

Study Area Matrix

The following pages contain the comparison matrix which is broken out by study area and policy categorization (Definitions and Rental Limitations; Permitting and Licensing Operations; Rules and Regulations; and Violations, Penalties, and Appeals)

Definitions and Rental Limitations:

Town/City:	State:	STR Definition:	Annual Rental Limitations:
Town of North Elba/Lake Placid Draft Ordinance	New York	To be considered a STR, a property must not be rented for over 30 consecutive nights.	No short-term rental property may be rented for greater than ninety days in any given calendar year.
Boulder	Colorado	To be considered a STR, a property must not be rented for over 30 consecutive nights.	No Limitations Identified
Lake George	New York	To be considered a STR, a property must not be rented for over 30 consecutive nights.	No Limitations Identified
Clyde Hill	Washington	To be considered a STR, a property must not be rented for over 30 consecutive nights.	No Limitations Identified
Vail	Colorado	To be considered a STR, a property must not be rented for over 30 consecutive nights.	No Limitations Identified
Mountain View	California	To be considered a STR, a property must not be rented for over 30 consecutive nights.	Where the host is present, the dwelling unit may be occupied as a short-term rental for an unlimited number of days per calendar year. Where a host is not present, the dwelling unit may be occupied as a short-term rental no more than sixty (60) days per calendar year.
Redwood City	California	To be considered a STR, a property must not be rented for over 30 consecutive nights.	A primary residence may be occupied as a short-term rental for no more than 120 days per calendar year where no host is present. There shall be no limit on the number of days a primary residence may be occupied as a short-term rental where the host is present. A host is considered present when they are on the premises at all times between the hours of 10:00 p.m. and 6:00 a.m.
Denver	Colorado	To be considered a STR, a property must not be rented for over 30 consecutive nights.	No Limitations Identified
San Francisco	California	To be considered a STR, a property must not be rented for over 30 consecutive nights.	Registered hosts may only conduct unhosted short-term rentals for up to 90 nights per calendar year, unless they are home overnight at the same time as their guests. If this is the case, then there is no limit on the number of rentals per year. This is called a "hosted rental".
Boston	Massachusetts	To be considered a STR, a property must not be rented for over 28 consecutive nights.	No Limitations Identified

Permitting and Licensing Operations:

Town/City:	State:	Department Overseeing Permit Process:	Permit Requirement to Operate STR (Y/N)?	Permit Period (Months):	Application/Permitting Fees:	Application/Permitting Fees Vary by Unit Type (Y/N)?	Site Plan Review Required to Receive Permit (Y/N)?	Property Inspections Required for Permits to be Issued (Y/N)?
Town of North Elba/Lake Placid Draft Ordinance	NY	TBD	Yes	24	Initial Permitting fee amounts to be set by resolution of the Village Board and Town Board. Permitting fees are required unless the STR is rented for 14 days or less.	No	Yes	No
Boulder	CO	Planning and Development Services	Yes	48	\$130	No	Yes	No
Lake George	NY	Planning and Zoning Office	Yes	12	\$50	No	No	No
Clyde Hill	WA	Office of Planning Services	Yes	12	\$25	No	No	Yes, annually.
Vail	CO	Department of Finance	Yes	12	\$150	No	No	No
Mountain View	CA	Community Development Department	Yes	12	\$40-\$165 (based on time of year registered)	No	No	No
Redwood City	CA	Office of Planning and Housing	Yes	12	\$150	No	No	No
Denver	CO	Department of Excise and License	Yes	12	\$25	No	No	No
San Francisco	CA	Office of Short Term Rentals	Yes	24	\$450	No	No	No
Boston	Mass	Department of Neighborhood Development & Inspectional Services Department	Yes	12	\$25-\$200 (based on unit type)	Yes	No	No

Rules and Regulations:

Town/City:	State:	STR Required to be Owner or Occupants Primary Residence (Y/N)?	Specific Policy Governing Timeshares (Y/N)?	Signed Legal Document Confirming Compliance Required with Applications and/or Renewals?	Zoning Restrictions Pertaining to Where STRs may Operate (Y/N)?	Information Required to be Provided to Renters:	Specific Policy Outlined Pertaining to Septic Inspections or Requirements (Y/N)?	Parking Restriction:
Town of North Elba/Lake Placid Draft Ordinance	NY	No	No	Yes	No	A hard copy of the short-term rental permit shall be prominently displayed near the front entrance of the short term rental unit.	Yes. Inspections and identification required.	<p>Tenants and guests shall park in the off-street parking spaces required by Section 11.4. They shall not park on any part of the lawn of the property nor on the public or private street. Required off-street automobile parking spaces for short-term rentals shall be equal to the maximum number of motor vehicles permitted by the following subdivision B with the exception of Main Street from the U.S. Post Office to One Main Street where applicant must demonstrate that they have appropriate off-street parking in place. Parking spaces within a home garage shall not be counted as parking spaces.</p> <p>The maximum number of motor vehicles for a short-term rental unit shall be one (1) vehicle per bedroom but in no event more than six (6) vehicles.</p>
Boulder	CO	Yes	No	Yes	Yes	Not Referenced in Ordinance	No	Parking limitations subject to parking requirements of applicable neighborhoods
Lake George	NY	No	No	No	Yes	All owners of short term rental properties shall maintain, at the premise to be rented, the signed residential rental permit, which contains information on emergency contact persons, relevant septic system information, trash disposal information, occupancy limitations.	Yes. All on-site septic systems shall be clearly identified to prevent damage from cars parking or installation of equipment.	Parking limitations subject to parking requirements of § 175-33, Off-street parking requirements.

Rules and Regulations (Continued):

Town/City:	State:	STR Required to be Owner or Occupants Primary Residence (Y/N)?	Specific Policy Governing Timeshares (Y/N)?	Signed Legal Document Confirming Compliance Required with Applications and/or Renewals?	Zoning Restrictions Pertaining to Where STRs may Operate (Y/N)?	Information Required to be Provided to Renters:	Specific Policy Outlined Pertaining to Septic Inspections or Requirements (Y/N)?	Parking Restriction:
Clyde Hill	WA	No	No	No	No	a. Information on maximum occupancy; b. Applicable noise and use restrictions; c. Location of off-street parking; d. Direction that trash shall not be stored within public view, except within proper containers for the purpose of collection, and provision of the trash collection schedule; e. Contact information for the local property representative; f. Evacuation routes; g. The renter's responsibility not to trespass on private property or to create disturbances; and h. Notification that the renter is responsible for complying with this chapter and that the renter may be cited or fined by the city for violating any provisions of this chapter	Yes. Must be compliant with existing code governing residential properties.	There will be no demand for parking beyond that which is normal to a residential area and no unusual or excessive traffic to and from the premises.
Vail	CO	No	No	Yes	No	An owner or property management firm shall post a sign conspicuously inside each STR. The sign shall include the local representative's current contact information, the street address of the STR and the STR registration number.	No	All vehicles shall be parked in designated parking areas, and parking is prohibited in any landscaped area.

Rules and Regulations (Continued):

Town/City:	State:	STR Required to be Owner or Occupants Primary Residence (Y/N)?	Specific Policy Governing Timeshares (Y/N)?	Signed Legal Document Confirming Compliance Required with Applications and/or Renewals?	Zoning Restrictions Pertaining to Where STRs may Operate (Y/N)?	Information Required to be Provided to Renters:	Specific Policy Outlined Pertaining to Septic Inspections or Requirements (Y/N)?	Parking Restriction:
Mountain View	CA	Yes	No	Yes	No	Not Referenced in Ordinance	No	Parking shall comply with residential parking standards, but no designated parking is required beyond other city code requirements.
Redwood City	CA	Yes	No	Yes	No	Hosts shall identify to all guests and all occupants of adjacent properties a local contact person to be available 24 hours per day, 7 days per week during the term of any unhosted stay. The designated local contact person shall: (1) Respond within 60 minutes to complaints regarding the condition or operation of the dwelling unit or the conduct of guests; and (2) take remedial action to resolve such complaints.	No	No additional parking shall be required for short-term rentals. Existing on-site parking spaces shall be made available to short-term renters.

Rules and Regulations (Continued):

Town/City:	State:	STR Required to be Owner or Occupants Primary Residence (Y/N)?	Specific Policy Governing Timeshares (Y/N)?	Signed Legal Document Confirming Compliance Required with Applications and/or Renewals?	Zoning Restrictions Pertaining to Where STRs may Operate (Y/N)?	Information Required to be Provided to Renters:	Specific Policy Outlined Pertaining to Septic Inspections or Requirements (Y/N)?	Parking Restriction:
Denver	CO	Yes	No	Yes	No	Each short-term rental shall provide a brochure on the licensed premises that includes the licensee's contract information, a local responsible party's contract information, and any necessary emergency contract information. For the purposes of this section, "local responsible party" means an individual located in the City and County of Denver during the entire length of the short-term rental period who has access to the licensed premises and is authorized to make decisions regarding the licensed premises. The brochure shall also provide information pertinent to the neighborhood where the short-term rental is located including, but not limited to, parking restrictions, restrictions on noise and amplified sound, trash collection schedule, relevant water restrictions, fire evacuation routes, and any other information, as required by the director, applicable to the short-term rental and the surrounding neighborhood	No	Parking limitations subject to parking requirements of applicable neighborhoods
San Francisco	CA	Yes	No	Yes	Yes	Not Referenced in Ordinance	No	Not Referenced
Boston	Mass	Yes	No	Yes	No	Not Referenced in Ordinance	No	Not Referenced

Rules and Regulations (Continued):

Town/City:	State:	Occupancy Limitations:	Occupation Limitations Vary by Daytime/Nighttime Occupancy (Y/N)?	Property Management Requirements:	Event Policy:
Town of North Elba/Lake Placid Draft Ordinance	NY	Maximum occupancy of nighttime guests shall be calculated as 2 times the number of bedrooms that are in compliance with the New York State Building Code plus 2 additional occupants. The maximum occupancy for studio apartment shall be 2 occupants for the first 220 sq. ft. with 1 additional occupant for each additional 100 sq. ft. of living space. The maximum number of daytime guests between 7:00 a.m. and 10:00 p.m. shall be limited to no more than twice the nightly occupants.	Yes (see occupancy limitations section).	This property manager contact person must be located within a sixty minutes distance by car and must be available 24 hours per day, 7 days a week.	Weddings, corporate events, commercial functions, and any other similar type of outdoor events must end by 10:00 p.m. All such events are subject to applicable noise restrictions under the Village of Lake Placid/Town of North Elba Land Use Code or under any other local law or ordinance.
Boulder	CO	In P, A, RR, RE and RL zoning districts: a dwelling may be rented to up to three persons or members of a family* plus up to two additional persons. In circumstances where the operator(s) of the short term rental reside in the dwelling, the operator and his/her family members count as a single person - allowing up to two additional persons to occupy the short-term rental. In MU, RM, RMX, RH, BT, BC, BMS, BR, DT, IS, IG, IM and IMS zoning districts: a dwelling may be rented to up to four persons or members of a family* plus up to two additional persons. In circumstances where the operator(s) of the short-term rental reside in the dwelling, the operator and his/her family members count as a single person- allowing up to three additional persons to occupy the short-term rental	No	Property owners are required to provide two local contacts within 60 miles of the property.	Not referenced
Lake George	NY	Occupancy limitation is based on the number of bedrooms in the dwelling, and is calculated at two persons per bedroom, plus two additional persons. Each residential rental shall, at a minimum, comply with New York State Property Maintenance Code Section 404.1 pertaining to minimum square footage requirements per person, and shall not exceed occupancy limits enforced by Warren County Building Codes and Fire Prevention. STRs are illegal in the Town's residential-only districts. Those districts where short-term residential rentals are now illegal include all Land Conservation (LC) districts, all Residential Rural (RR) districts, and the Residential Medium-density districts (RM-1 and RM-2). Any rentals longer than 30 days at a time are allowed in these and all other zoning districts without permitting or approvals from the Town. The remaining zoning districts in the Town will allow for short-term residential rentals via an approval and permitting process through the Planning and Zoning Office.	No	Not referenced	None referenced

Rules and Regulations (Continued):

Town/City:	State:	Occupancy Limitations:	Occupation Limitations Vary by Daytime/Nighttime Occupancy (Y/N)?	Property Management Requirements:	Event Policy:
Clyde Hill	WA	Maximum occupancy of the rental shall be based on the International Building Code standards. The property owner shall be responsible for ensuring that the dwelling unit is in conformance with its maximum occupancy.	No	The property owner must designate a local property representative who shall be available 24 hours per day, seven days per week, for the purpose of: (a) responding within one hour to complaints regarding the condition, operation, or conduct of occupants of the short-term rental; and (b) taking remedial action to resolve any such complaints. The name, address, and telephone contact number of the property owner and the local property representative shall be kept on file at the city.	A renter may not use a short-term rental for a purpose not incidental to its use for lodging or sleeping purposes. This restriction includes using the rental for a wedding, banquet, reception, bachelor or bachelorette party, concert, fundraiser, sponsored event, or any similar group activity.
Vail	CO	Occupancy of an STR shall comply with Title 12, Chapter 2 of the town planning Code.	Yes	Each owner or property management firm shall appoint a natural person who remains within a sixty (60) minute distance of the STR and is available twenty- four (24) hours per day, seven (7) days per week, to serve as the local representative for the STR.	Not referenced
Mountain View	CA	Per the California Building Code, Chapter 3, Section 310.5 – Use and Occupancy Classifications, STRs are considered congregate residences, and must have 10 or fewer occupants.	No	For short-term rentals, hosts shall provide the city, all short-term renters and all occupants of adjacent properties, the name and contact information of a local individual who shall be available twenty-four hours per day, seven days per week, during the term of the unhosted stay. The owner or designated local contact person shall: (1) Respond on-site within sixty-minutes to complaints regarding a condition or operation of the short-term rental or the conduct of the short-term renters; and (2)Take remedial action to resolve any and all complaints.	Weddings, corporate events, commercial functions, large parties and other similar events which have the potential to cause traffic, parking, noise, or other impacts to the neighborhood are prohibited on the property during short-term rentals

Rules and Regulations (Continued):

Town/City:	State:	Occupancy Limitations:	Occupation Limitations Vary by Daytime/Nighttime Occupancy (Y/N)?	Property Management Requirements:	Event Policy:
Redwood City	CA	Per the California Building Code, Chapter 3, Section 310.5 – Use and Occupancy Classifications, STRs are considered congregate residences, and must have 10 or fewer occupants.	No	Hosts shall identify to all guests and all occupants of adjacent properties a local contact person to be available 24 hours per day, 7 days per week during the term of any unhosted stay. The designated local contact person shall: (1) Respond within 60 minutes to complaints regarding the condition or operation of the dwelling unit or the conduct of guests; and (2) take remedial action to resolve such complaints.	Weddings, corporate events, commercial functions, and any other similar events which have the potential to cause traffic, parking, noise or other problems in the neighborhood are prohibited from occurring at the short-term rental property, as a component of short-term rental activities.
Denver	CO	STR hosts have the ability to set their own guest maximums. However, per the Denver Zoning Code (DZC), STRs are accessory to primary residential use, meaning the overall character of the property should remain residential.	No	Property owners or long-term renters may conduct STRs while they are on vacation and/or the property is otherwise unoccupied. However, hosts are required to leave a brochure for guests that includes appropriate contact information and instructions on city services. The name and contact information of a General Manager / Local Responsible Party must also be provided as part of the license application. This person must be available to address issues with the STR when the license is out-of-town.	The Denver Zoning Code states that STRs do not include rental of a dwelling unit for commercial events, such as parties or weddings.
San Francisco	CA	Consistent with existing planning code guidance for residential properties. STRs may only be hosted in areas that are permitted for residential use.	No	Not Referenced	References these types of activities generally being in violation of Planning Code rules if the space being used is intended for residential use.
Boston	Mass	Subject to the Room Occupancy Excise under G.L. c. 64G	No	Operators must provide his or her name and contact information and the name and contact information of an individual who is able to respond in person to any issues or emergencies that arise during the Short-Term Rental within two (2) hours of being notified. Contact information must include a telephone number that is active 24 hours per day to tenants, Short-Term Rental occupants, and public safety agencies.	Not Referenced

Violations, Penalties, and Appeals:

Town/City:	State:	Penalties for Offenses:	Appeals Process noted in Ordinance for Violation Disputes (Y/N)?	Penalties Primarily Referenced as Criminal or Civil?
Town of North Elba/Lake Placid Draft Ordinance	NY	By a fine or penalty of not less than \$350.00 and not exceeding \$1,000.00 or by imprisonment for a period not to exceed 15 days, or both, for a conviction of a first offense. By a fine or penalty of not less than \$1,000.00 and not exceeding \$3,000.00 or by imprisonment for a period not to exceed 15 days, or both, for a conviction of a second offense both of which were committed within a period of five (5) years.	Yes	Civil
Boulder	CO	Penalties are tiered based on offense and location of the property. After 3 violations, propoerties can have their permits revoked by the City.	No	Civil
Lake George	NY	Existing penalties outlined in reference planning codes are applicable.	No	Civil
Clyde Hill	WA	Any person violating any provision of the STR code shall be subject to the enforcement procedures, remedies, and the civil and criminal penalties provided in Chapter 1.08 CHMC. (Ord. 946 § 2, 2016). If the administrator has reasonable cause to believe that any of the conditions imposed upon a short-term rental business under this chapter have been violated, the administrator shall follow the procedures established in CHMC 5.18.110 to revoke or suspend the business license	No	Civil
Vail	CO	Violations of the STR code chapter shall be subject to the following fines and penalties, per STR. Additional violation in a 12- month period will result in STR prohibited for two years. First violation in a 12- month period: \$500. Second violation in a 12- month period: \$1,500. Third violation in a 12- month period: \$2,500. Additional violation in 12-month period permit revoked for two years.	No	Civil
Mountain View	CA	A short-term rental registration approved pursuant to this chapter may be revoked for any of the following reasons: fraud, misrepresentation or false statement contained in the application for, or in the operation of, the short-term rental. In addition to remedies provided in the Mountain View City Code, a short-term rental registration may be revoked for any violation of any provision of this chapter, the Mountain View City Code or any state or federal law. Other penalties ranging from \$500-\$1000 per day also exist and are based on the type of offense (operating without a registration, usage limitation violations, etc.).	No	Civil
Redwood City	CA	Penalties as provided for in Article 50 (Enforcement) may be imposed for failure to comply with the provisions of this Section. Revocation of Registration. A short-term rental registration issued under the provisions of this Section may be revoked by the Zoning Administrator after notice and hearing as provided for in this Section, for any of the following reasons: a. Fraud, misrepresentation, or false statements contained in the application; b. Fraud, misrepresentation, or false statements made in the course of carrying on a short-term rental as regulated by this Section; c. Any violation of any provision of this Section or of any provision of this code; or d. Any violation of any provision of federal, state or local laws.	Yes	Civil

Violations, Penalties, and Appeals (Continued):

Town/City:	State:	Penalties for Offenses:	Appeals Process noted in Ordinance for Violation Disputes (Y/N)?	Penalties Primarily Referenced as Criminal or Civil?
Denver	CO	The city tracks and monitors complaints about licensed and unlicensed STR units. Excise & Licenses responds to complaint-based STR inquiries, in addition to conducting proactive enforcement measures through department inspectors. The Director of Excise & Licenses has summary authority to levy penalties, fines, suspensions, or show-cause hearings that could lead to STR license revocation at any time for violating any provision of the STR regulations, or for violating any local or state law. Fines for violating any STR rules and regulations can be up to \$999 per incident.	Yes	Civil
San Francisco	CA	Violations of the City's short-term rental laws are subject to penalties of at least \$484 per day for each dwelling unit in violation. These daily penalties begin on the day that a Notice of Violation is issued by the Office of Short-Term Rentals, and continue to accrue until the violation is fully abated. Repeat violations may be subject to escalated penalties and referral to the City's Attorney's Office for additional civil and/or criminal penalties	Yes	Civil
Boston	Mass	Any person who fails to comply with any notice of violation or other order issued pursuant to this section by the Commissioner or a designee for a violation of any provision of this section shall be fined one hundred dollars (\$100) per violation per day. Residential Units that are the subject of 3 or more findings of violations of this section within a six-month period, or 3 or more violations of any municipal ordinance or state law or code relating to excessive noise, improper disposal of trash, disorderly conduct, or other similar conduct within a six-month period.	Yes	Civil

SHORT-TERM RENTAL LITERATURE REVIEW

Background

In order to provide further insight into issues and mitigation strategies pertaining to the potential impacts of short-term rentals in the Town of North Elba / Lake Placid ('the client'), a review of literature and research pertaining to the impacts of short-term rentals on communities throughout the United States was performed. The literature and research used to support this review were specifically chosen in a way that ensured that they were published by non-biased parties (academic institutions, economic policy institutions, etc.) so that limited bias would be incorporated into any findings. The findings of this literature review are organized into the following categories:

- ◆ General Economic Impacts
- ◆ Impacts on Housing Supply and Costs
- ◆ Impacts to Neighborhoods and Community Character
- ◆ Impacts to Property Values
- ◆ Health and Safety Impacts

In addition to summarizing the general findings pertaining to the impacts of short-term rentals, information is also included (where applicable) that outlines key findings related to short term rental impacts specifically in the North Elba / Lake Placid community. This aggregated information points to evidence of the potential positive and negative impacts of STRs in the community, and was gathered during Camoin 310's Housing Needs Assessment for the client, during stakeholder interviews with the town police department, by direct community feedback, and/or by other supporting evidence provided by the client.

SHORT-TERM RENTAL IMPACTS

General Economic Impacts

Travelers and tourists alike can have a significant impact on local economies through direct and indirect spending, but the extent to which STRs benefit local economics tends to vary based on various studies and specific circumstance.

As part of what has been dubbed by many as the new 'sharing economy', some in favor of short-term rental (STR) platforms argue that they bring several benefits for consumers including a better use of resources, lower prices, and better offerings; which in turn increase consumer welfare.² However, critics argue that the negative impacts generated by the sharing economy outnumber the benefits, with recent research suggesting that the sharing economy is contributing to issues like societal inequality, financial hardship, and lowering city livability.³

The largest benefit touted by many short-term rental companies ('STRCs') is an increased supply of travel accommodations, and the subsequent benefits to local economies from increases in travel stays and increased consumer spending of travelers. Overall, while there is evidence that STRs increase the supply of traveler

² [HTTPS://WWW.NBER.ORG/PAPERS/W24361.PDF](https://www.nber.org/papers/w24361.pdf)

³ [HTTPS://PAPERS.SSRN.COM/SOL3/PAPERS.CFM?ABSTRACT_ID=3293988](https://papers.ssrn.com/sol3/papers.cfm?abstract_id=3293988)

accommodations at a slightly lower price, there is little evidence that the high price of travel accommodations is a pressing economic problem in the United States given the price of travel accommodations in the U.S. has not risen particularly fast in recent years, nor are accommodation costs a significant share of American family budgets.⁴

In addition, some point to the potential economic benefits of increased tourism via STRs as being much smaller than advertised by STRCs, citing that there is little evidence that cities with an increasing supply of STR accommodations are seeing a large increase in travelers. Instead, accommodations supplied via STRCs seem to be a substitution for other forms of accommodations. For example, some surveys indicate that less than 5% of those using STRs say that they would not have taken the trip were STR rentals unavailable.⁵ Furthermore, studies claiming that STRs are supporting significant amounts of economic activity often vastly overstate the effect because they fail to account for the fact that much of this spending would occur by travelers staying in hotels or other alternative accommodations absent the STR option.⁶

While some studies downplay the economic impacts of STR rentals, other reports such as the 2018 Leisure Travel Study⁷ performed by the Adirondack focused Regional Office of Sustainable Tourism (ROOST) highlight beneficial economic trends related to short term renters vs. visitors (i.e., visitors that stay in traditional lodging (e.g., hotels and motels). For example, ROOST's 2018 report indicates that tenants of STRs tend to have larger travel party sizes compared to "traditional visitors," which translates into more spending in local economies. In addition, ROOST's report indicates that the overall expenditures amongst their STR study group was more than double that of their traditional regional traveler study group. Finally, ROOST found that visitors staying in STRs tended to stay longer when visiting compared to visitors staying in traditional lodging.

In addition to their comparison analysis of STR visitors vs. traditional visitors, ROOST also reports that there is a need for STRs as a means to handle increased lodging demand due to large events in the community. According to interviews with ROOST, short-term rentals are needed to accommodate lodging demand for major events, which require more lodging capacity than the current supply of traditional options, such as hotels and motels, is currently able to accommodate.

Impact on Housing Supply and Costs

There is no general consensus in the literature as to the impact of STRs on housing prices. The impact of STRs on housing values is largely anecdotal, and the exact impacts are hard to quantify due to the limited time period in which STRs have operated and for which quality data exists. As a result, there have been few rigorous peer-reviewed studies published. Studies have also found difficulty in assigning numerical values to the various positive and negative impacts of STRs. There are also a wide number of complex factors that affect housing prices, including broader economic trends such as the national rebound from the recession, making it difficult to prove a statistical cause and effect relationship between number of short-term rentals and housing prices. While there is not general consensus on housing price impacts, there is stronger evidence in the literature that STRs reduce long-term housing and/or rental supply.

⁴ [HTTPS://WWW.EPI.ORG/PUBLICATION/THE-ECONOMIC-COSTS-AND-BENEFITS-OF-AIRBNB-NO-REASON-FOR-LOCAL-POLICYMAKERS-TO-LET-AIRBNB-BYPASS-TAX-OR-REGULATORY-OBLIGATIONS/](https://www.epi.org/publication/the-economic-costs-and-benefits-of-airbnb-no-reason-for-local-policymakers-to-let-airbnb-bypass-tax-or-regulatory-obligations/)

⁵ [HTTPS://UWSpace.UWaterloo.ca/BITSTREAM/HANDLE/10012/10684/GUTTENTAG_DANIEL.PDF](https://uwspace.uwaterloo.ca/bitstream/handle/10012/10684/GUTTENTAG_DANIEL.PDF)

⁶ [HTTPS://WWW.EPI.ORG/PUBLICATION/THE-ECONOMIC-COSTS-AND-BENEFITS-OF-AIRBNB-NO-REASON-FOR-LOCAL-POLICYMAKERS-TO-LET-AIRBNB-BYPASS-TAX-OR-REGULATORY-OBLIGATIONS/](https://www.epi.org/publication/the-economic-costs-and-benefits-of-airbnb-no-reason-for-local-policymakers-to-let-airbnb-bypass-tax-or-regulatory-obligations/)

⁷ [HTTPS://WWW.ROOSTADK.COM/](https://www.roostadk.com/)

Potential Housing Supply and Price Impacts

The most studied potential negative cost of STR expansion is the reduced supply of housing as some properties shift from serving local residents to serving STR travelers. The Economic Policy Institute (EPI) reports this issue as being the single biggest potential cost imposed by STRs. If property owners take units that were available for long-term leases and convert them to short-term rental listings, it decreases the supply of long-term housing which may increase housing costs for residents.

The rising cost of housing is a critical and widespread problem in communities across the country. Housing costs have risen significantly faster than overall prices since 2000, and housing accounts for a significant share of average overall household consumption expenditures.⁸ Because housing demand is relatively inelastic (people's demand for somewhere to live doesn't decline when prices increase), changes in housing supply (like those caused by converting long-term rental properties to STR units) can cause increases in housing costs for residents.

There was only one identified study that reported a quantitative impact to housing costs from STRs, which examined impacts in New York City. The study found that STR introduction and expansion in New York City *may have* raised average rents by nearly \$400 annually for city residents. Knowing this and after being prompted by City officials, Airbnb removed upwards of 13,500 units of housing that were being operated as STRs from the companies' website, adding these units back to New York City's long-term rental market.⁹

Potential Housing Affordability Benefits

While STRs may increase housing costs for some, they can also provide supplementary income to those who own and/or operate them. This additional income can benefit the local economy by adding to the spending capacity of residents who may have additional discretionary income. It may also allow STR operators to afford to stay in high-price communities that they would otherwise be priced out of.

As part of the Community Housing Needs Assessment completed by Camoin 310 on the Town of North Elba and Village of Lake Placid, it was calculated that the annual revenue potential of a two-bedroom short-term rental unit is able to generate more than double the amount per year compared to a two-bedroom long-term rental unit. Input from the community in the housing needs assessment also indicated that revenue as supplemental income was the largest perceived benefit to residents of STRs by the community.

In addition, rental revenues from STRs may enable those who may not have been able to afford to buy a home in town to do so, therefore increasing their overall quality of life and benefiting the community as a whole. This sentiment was reflected by community members in the community survey performed as part of the Community Housing Needs Assessment. The survey found that community members believe that providing extra income for local households is the most significant benefit/positive of short-term rentals in the community.

Potential Household Wealth Benefits

Short-term rentals, in theory, have the benefit to help build wealth for property owners through increased property values. The research provides some evidence for this, but there are insufficient studies from which to draw meaningful conclusions. Some research reports point to STRs increasing property values in towns and cities,

⁸ <https://www.epi.org/publication/the-economic-costs-and-benefits-of-airbnb-no-reason-for-local-policy-makers-to-let-airbnb-bypass-tax-or-regulatory-obligations/>

⁹ <https://mcgill.ca/newsroom/files/newsroom/channels/attach/airbnb-report.pdf>

although increases are largely minimal (less than 0.5% annually) and also depend on the surrounding density of the areas that the properties are located in.¹⁰ In addition, benefits received via increased property values are likely skewed to those with more existing wealth. While housing is more widely held than most other assets, the total value of housing wealth in the U.S. tends to be concentrated among existing high-income households.¹¹ Further, it is likely that much of the benefit of STRs introduction and expansion is realized by those with more than one property. The distribution of property wealth generated by nonprimary residential real estate is even more concentrated than housing wealth overall.¹²

Potential Negative Property Value Impacts

Some of the reviewed literature points to STRs potentially decreasing property values if certain situations exist. The idea that STRs encourage violation of health and safety laws while reducing the housing supply raises many questions regarding the likely effects of their operation on reducing property values. For example, if STRs create a concentration of what may be considered unsafe hotels, upsetting quiet residential neighborhoods with more traffic and renters who don't care about the neighborhood, they may generate a local concentration of circumstances that might be expected to reduce property values. In addition, so called "party houses" (homes that are regularly rented to larger groups of people with the intent to party) have similar effects on adjacent properties. Alternatively, if these effects are not present or are modest, then the local concentration of STR properties may increase property values.

KEY FINDINGS FROM THE NORTH ELBA HOUSING NEEDS ASSESSMENT

- ◆ Housing value trends point to the price of single-family homes as escalating at a higher rate in recent years.
- ◆ Local workers cannot afford local housing prices, and many must live elsewhere.
- ◆ The number of vacant seasonal, recreation, and occasional use properties has increased substantially in North Elba over the last five years.
- ◆ The number of long-term rental properties in North Elba decreased substantially over the last five years.
- ◆ The year-round population and housing stock of North Elba/Lake Placid is declining, while the number of vacation homes is on the rise.
- ◆ Housing for temporary/seasonal workers is in short supply.
- ◆ Year-round rental rates in North Elba/Lake Placid are higher than the surrounding communities.
- ◆ The largest perceived benefit of STRs by the community is that they produce extra income for local households.

¹⁰ [HTTPS://MCGILL.CA/NEWSROOM/FILES/NEWSROOM/CHANNELS/ATTACH/AIRBNB-REPORT.PDF](https://mcgill.ca/newsroom/files/newsroom/channels/attach/airbnb-report.pdf)

¹¹ [HTTPS://WWW.EPI.ORG/PUBLICATION/THE-ECONOMIC-COSTS-AND-BENEFITS-OF-AIRBNB-NO-REASON-FOR-LOCAL-POLICYMAKERS-TO-LET-AIRBNB-BYPASS-TAX-OR-REGULATORY-OBLIGATIONS/](https://www.epi.org/publication/the-economic-costs-and-benefits-of-airbnb-no-reason-for-local-policymakers-to-let-airbnb-bypass-tax-or-regulatory-obligations/)

¹² [HTTPS://WWW.EPI.ORG/PUBLICATION/THE-ECONOMIC-COSTS-AND-BENEFITS-OF-AIRBNB-NO-REASON-FOR-LOCAL-POLICYMAKERS-TO-LET-AIRBNB-BYPASS-TAX-OR-REGULATORY-OBLIGATIONS/](https://www.epi.org/publication/the-economic-costs-and-benefits-of-airbnb-no-reason-for-local-policymakers-to-let-airbnb-bypass-tax-or-regulatory-obligations/)

Impacts to Neighborhoods and Community Character

While many reports from STRCs such as AirBNB indicate that a majority of stays are completed without issue or compliant, it can't be overlooked that short-term renters have little incentive to care about a neighborhood's character, norms, or infrastructure when compared to a long-term renter or resident. In addition, short-term renters may not always be aware of the rules and regulations of the neighborhoods that they are staying in.

Given this lack of incentive and/or awareness of local rules and regulations, the potential for negative impacts and behavior such as increased noise/nuisance; events being held in neighborhoods that don't allow or desire them; negative impacts to the aesthetics of a neighborhood due to signage or overcrowded parking; negative impacts to community infrastructure through potential acts of vandalism, and other issues are much higher. Overall, these factors have been broadly recognized as being potential issues that may accompany STRs, and were drivers surrounding the prevalence of many originating zoning laws that ban short-term and other travel accommodations in residential neighborhoods.

While researchers often note the possibility that STRs may impose issues to the neighborhoods and communities surrounding STR units, it is difficult to assign quantitative or monetary impact estimates to these issues. If these problems were powerful enough in degrading the desirability of neighborhoods, they could in theory even lead to decreased quality of life for residents, reduced rents, and home prices.¹³

KEY FINDINGS FROM STAKEHOLDER INTERVIEWS WITH TOWN OF NORTH ELBA POLICE DEPARTMENT

- ◆ Noise and nuisance complaints to local law enforcement during the summer months has increased in recent years, with estimates indicating that around 90% of those received are for vacation rentals.
- ◆ Complaints pertaining to vacation property renters are escalating in what were previously known as year-round residential neighborhoods.
- ◆ Local law enforcement generally finds that those renting vacation properties are less considerate when compared to long-term renters or residents (e.g. fireworks and parties/events being held late at night).
- ◆ Parking issues have escalated in the town leading to issues with snow removal, and in some cases have to be addressed by towing vehicles.
- ◆ There has generally been an increase in driving while intoxicated (DWI) related offenses in recent years.

Health and Safety Impacts

Many STRs are operated out of residential properties, which typically have not been inspected in recent years. In some cases, general building construction in residential units may have been completed by unlicensed trade professionals, which exposes renters and/or other residents of neighborhoods to unforeseen and unknown hazards. This means work such as electrical wiring, heating, plumbing, and the installation of fire or carbon monoxide detection units may have been completed incorrectly. Many rental homes lack common life safety features such as

¹³ <https://www.epi.org/publication/the-economic-costs-and-benefits-of-airbnb-no-reason-for-local-policy-makers-to-let-airbnb-bypass-tax-or-regulatory-obligations/>

smoke and carbon monoxide alarms, second means of escape from sleeping rooms, improper guards on decks, and improperly installed heating systems.¹⁴

To verify compliance with minimum life safety standards, buildings need to be inspected by qualified and certified inspectors. Inspectors must know how to prioritize hazards, assign risk, manage repairs, conduct follow ups, track inspection results, provide equivalencies to the prescriptive code requirements, establish a variance/appeal process, and formulate legal enforcement action to gain compliance.¹⁵ In 2014, the Attorney General's office of New York State investigated Airbnb's presence in New York City. The subsequent report indicated that 72% of Airbnb listings in New York City violated safety laws.¹⁶

In addition to health and safety issues arising from properties that violate existing construction and other building and safety regulations, other issues arise when health and safety problems are reported, and owners or property managers do not reside in or near their properties. This absence and/or neglect can lead to a larger burden and stresses being imposed on the property's neighbors and community safety enforcement agencies. If absentee owners, for example, do not face the cost of noise or stress on the neighborhood's infrastructure (for example the capacity for garbage pickup), then they will have less incentive to make sure that their renters are respectful of neighbors or to prevent an excessive number of people from occupying their property.

NEGATIVE IMPACT MITIGATION AND REGULATORY POLICY CONSIDERATIONS

The most common way for a community to mitigate the negative impacts of STRs is through their regulatory processes and the adoption of new or amendments to existing municipal code. These regulations should be simple, sensible, and easily understood while taking into consideration feedback from residents. In addition, regulations should be developed with the intent of balancing the rights of homeowners with the interests of neighbors and other community members who may only experience the negative side-effects associated with people renting out their homes on a short-term basis. These regulations also need to be adapted to fit the circumstances of the particular community, while also being cost effective and enforceable.

The following matrix outlines potential negative issues referenced in this report, common ways that these negative issues are mitigated, and summarize if issues are or are not being addressed in the current North Elba draft ordinance:

¹⁴ [HTTP://LEGISLATURE.VERMONT.GOV/ASSETS/LEGISLATIVE-REPORTS/2017-ACT76-SHORTTERMRENTAL.PDF](http://LEGISLATURE.VERMONT.GOV/ASSETS/LEGISLATIVE-REPORTS/2017-ACT76-SHORTTERMRENTAL.PDF)

¹⁵ [HTTP://LEGISLATURE.VERMONT.GOV/ASSETS/LEGISLATIVE-REPORTS/2017-ACT76-SHORTTERMRENTAL.PDF](http://LEGISLATURE.VERMONT.GOV/ASSETS/LEGISLATIVE-REPORTS/2017-ACT76-SHORTTERMRENTAL.PDF)

¹⁶ [HTTPS://WWW.EPI.ORG/PUBLICATION/THE-ECONOMIC-COSTS-AND-BENEFITS-OF-AIRBNB-NO-REASON-FOR-LOCAL-POLICYMAKERS-TO-LET-AIRBNB-BYPASS-TAX-OR-REGULATORY-OBLIGATIONS/](https://WWW.EPI.ORG/PUBLICATION/THE-ECONOMIC-COSTS-AND-BENEFITS-OF-AIRBNB-NO-REASON-FOR-LOCAL-POLICYMAKERS-TO-LET-AIRBNB-BYPASS-TAX-OR-REGULATORY-OBLIGATIONS/)

Objective/Issue	How Others May Address Issues and/or Objectives	Does the North Elba Draft Ordinance Generally Address the Objective/Issue?	If yes, how is the Objective/Issue Addressed in the North Elba Draft Ordinance?
Impacts on Housing Supply and Costs			
Minimize the impact of long-term rental properties being converted to short-term rentals	Adopt a permanent residency requirement for short-term rental permit holders	No	N/A
Ensure that homes are only occasionally used as short-term rentals	Adopt a permanent residency requirement for short-term rental permit holders; Place a limit on the number of days that a property can be rented in a given time period.	Yes	No short-term rental property may be rented for greater than ninety days in any given calendar year.
Ensure that property management companies or other entities do not buy up homes limiting the supply of permanent, long term rental, and/or affordable housing	Adopt a permanent residency requirement for short-term rental permit holders.	No	N/A
Impacts to Neighborhoods and Community Character			
Ensure that residential neighborhoods are not transformed into year-round transient neighborhoods to the detriment of permanent residents.	Adopt a formal permit requirement for short term rentals; Set specific quotas on or restrictions of the number or location of STRs in any given neighborhood or zoned area; Adopt a permanent residency requirement for short-term rental permit holders so that there is a natural limit to how often any property is rented out each year.	Yes	No short-term rental property may be rented for greater than ninety days in any given calendar year. Also, various rules and regulations are included to mitigate negative impacts to neighborhoods (event restrictions, parking restrictions, etc.)
Minimize parking issues	Adopt a formal regulation that puts a specific limit on the number of vehicles that short-term renters are allowed to park on/near the property; Adopt regulation that states that any advertisement of the property and any rental contract must contain language that specifies the allowed number of vehicles to be parked at the rental; Require operators to post relevant information on the parking limitations of the property/neighborhood in the rental unit;	Yes	Specific regulations are included that limit where vehicles can be parked, and how many vehicles may be parked on a public/private street for each STR.
Limit the issues incurred by properties that continually violate local rules and regulations.	Adopt a formal annual permitting requirement and a process for revoking permits.	No	N/A

Objective/Issue	How Others May Address Issues and/or Objectives	Does the North Elba Draft Ordinance Generally Address the Objective/Issue?	If yes, how is the Objective/Issue Addressed in the North Elba Draft Ordinance?
Impacts to Property Values			
Prevent short-term rentals from negatively affect property values	<p>Adopt regulation that expires or must be updated after a finite amount of time so that the rules and processes that are adopted as part of the originating legislation is evaluated as the market and technology evolves;</p> <p>Adopt formal regulatory policies that specifically address noise and nuisance activities that may lead to adjacent property value decline.</p>	Yes	Various rules and regulations are included with the objective of mitigating negative impacts to neighborhoods (event restrictions, parking restrictions, etc.) that may lead to adjacent property value declines.
Ensure homes are not turned into party houses	<p>Adopt a formal occupancy requirement and put in place a specific limit on the number of people that are allowed on the property at a given time;</p> <p>Require that any advertisement of STRs and all rental contracts contain language that specifies the allowed "people limit" to make it clear to renters that the home cannot be used for large gatherings or events.</p>	Yes	Rules and regulations pertaining to daytime/nighttime occupancy are included in addition to language that limits events from operating past 10pm.
Health and Safety Impacts			
Ensure STRs provide a safe and healthy environment for residents	<p>Require that all short-term rental contracts and/or affidavits include a copy of the local STR or sound/trash/parking ordinances;</p> <p>Require operators to post or include a packet of information to renters that summarizes the local rules and regulations in addition to what is expected of the renter;</p> <p>Require that short-term rental permit holders list a local contact or property manager that can be reached 24/7 and immediately take action in the event any non-emergency issues are reported;</p> <p>Establish a website or call number that allow neighbors and other citizens to easily report non-emergency issues without involving local law/code enforcement officers.</p>	Yes	Various rules and regulations are included with an objective of mitigating negative impacts to neighborhoods while addressing any potential health and safety issues.
Ensure the safety and health of STR renters	<p>Adopt a safety inspection requirement as part of the permit approval process;</p> <p>Require that all short-term rental contracts and/or affidavits include a section whereas the applicant(s) must state/verify that the property is in compliance with local STR and other related occupancy/safety codes;</p> <p>Require operators to post relevant safety contact information and evacuation plans in the rental property in case of emergency.</p>	Yes	The existing draft ordinance includes requirements for property inspections, septic inspections, and signed legal compliance documents stating compliance by owners/operators.

APPENDIX 1 – LITERATURE REVIEW SOURCES

Regional Office of Sustainable Tourism – *Leisure Travel Study with a Short Term Renter Visitor Focus (2018)* - <https://www.roostadk.com/research>

National Bureau of Economic Research - *The Welfare Effects of Peer Entry in the Accommodation Market: The Case of AirBNB (2018)* - <https://www.nber.org/papers/w24361.pdf>

Washington State University – *The Impact of the Gig Economy on Financial Hardship Amount Low Income Families (2019)* - https://papers.ssrn.com/SOL3/PAPERS.CFM?ABSTRACT_ID=3293988

Economic Policy Institute – *The Economic Costs and Benefits of AirBNB (2019)* - <https://www.epi.org/publication/the-economic-costs-and-benefits-of-airbnb-no-reason-for-local-policymakers-to-let-airbnb-bypass-tax-or-regulatory-obligations/>

University of Waterloo – *Why Tourists Choose AirBNB: A Motivation-Based Segmentation Study Underpinned by Innovation Concepts (2016)* - https://uwspace.uwaterloo.ca/bitstream/handle/10012/10684/Guttentag_Daniel.pdf

McGill University – *The High Cost of Short-Term Rentals in New York City (2018)* - <https://www.mcgill.ca/newsroom/channels/news/high-cost-short-term-rentals-new-york-city-284310>

State of Vermont General Assembly – *Short-Term Rental Working Group Report* - <https://legislature.vermont.gov/assets/Legislative-Reports/2017-Act76-ShortTermRental.pdf>



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