



Town of North Elba & Village of Lake Placid *Short-Term Rental Assessment*

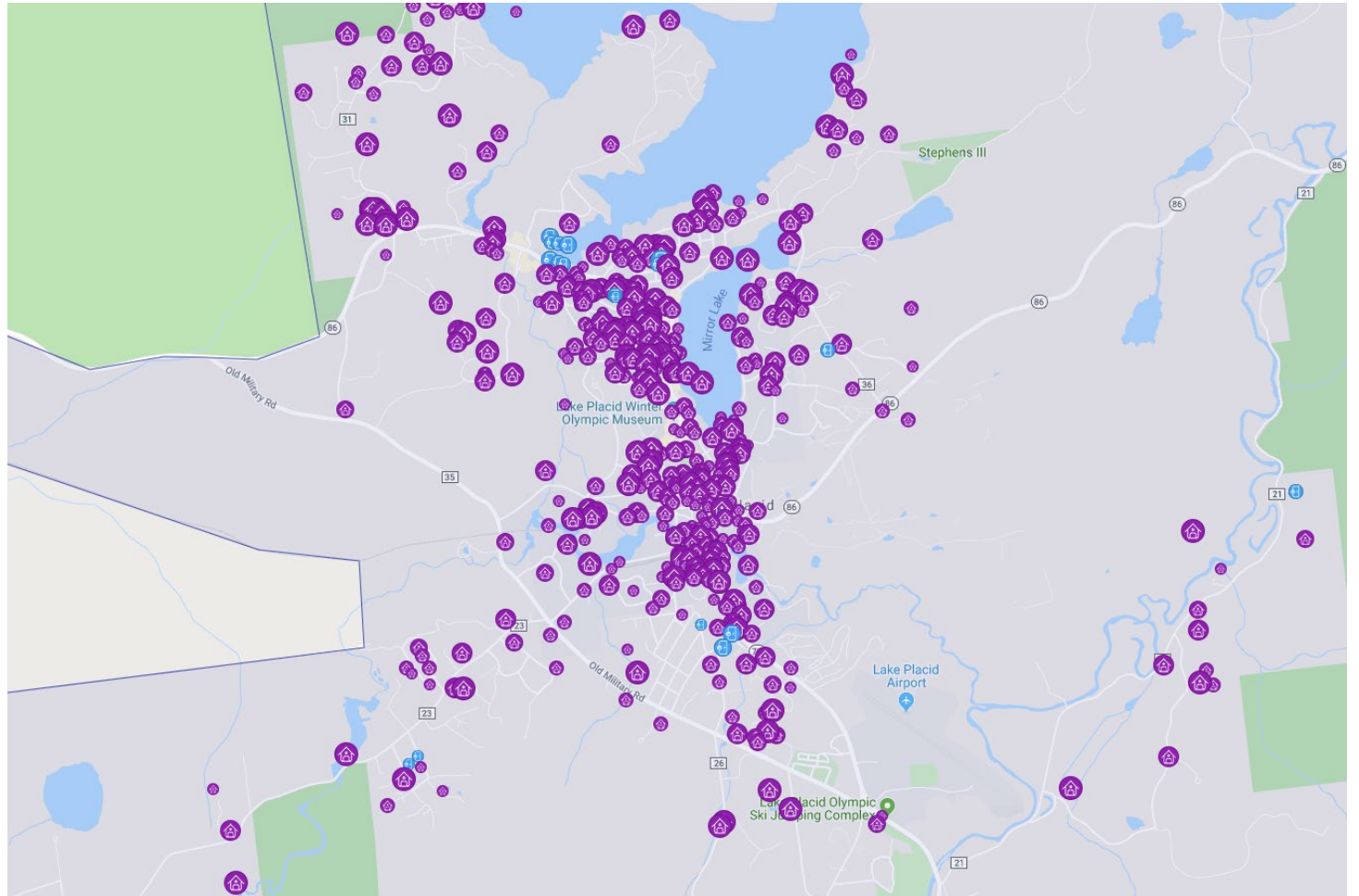
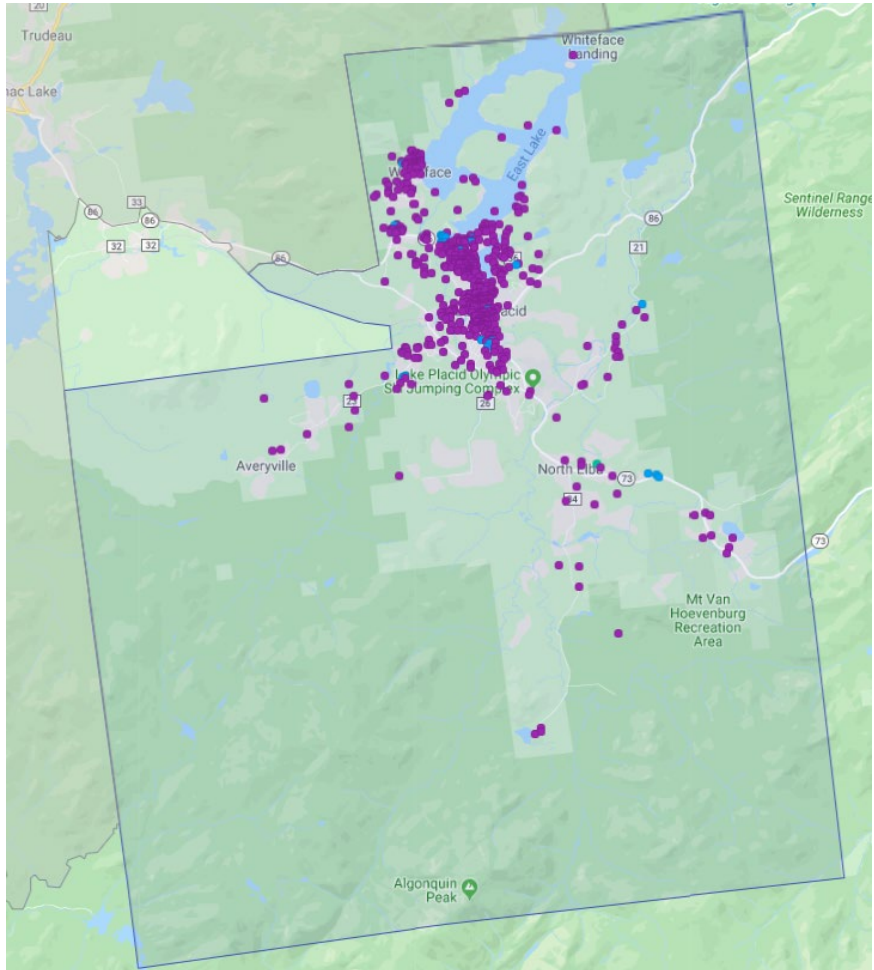


An aerial photograph of a scenic landscape. In the foreground, there's a dense forest with trees in vibrant autumn colors of orange, red, and yellow. A large, calm blue lake occupies the middle ground, surrounded by more forested hills. In the background, rolling mountains are visible under a clear blue sky. The image is partially obscured by a white, angular graphic element on the right side, which serves as a background for the text.

What are the Objectives?

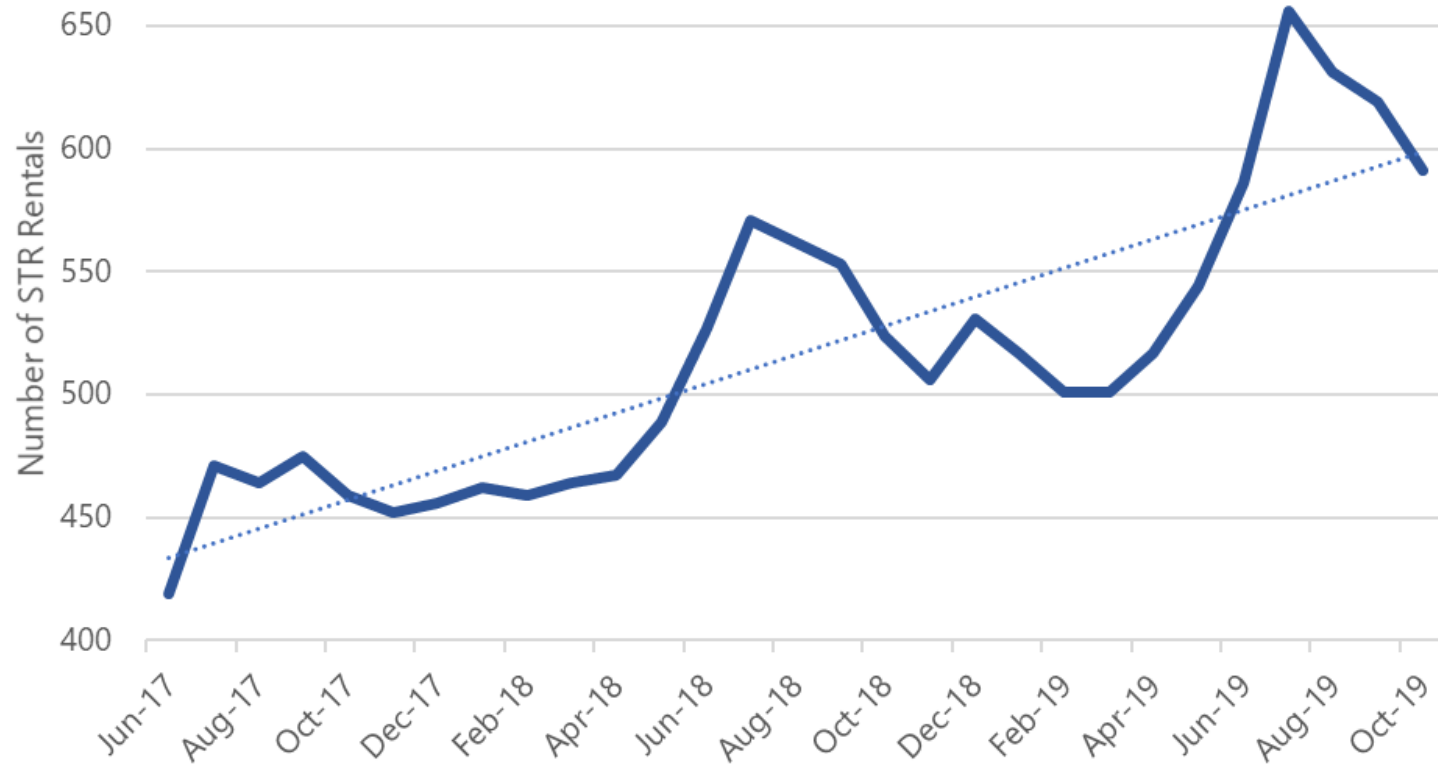
- How have other communities regulated Short Term Rentals (STRs)?
- How does the proposed North Elba Ordinance compare?
- What does the literature say about the impacts of STRs?
- Is there evidence of those impacts in the local community?

STRs in North Elba/Lake Placid



STRs in North Elba/Lake Placid

Number of STRs in Lake Placid Market Area
(June 2017-October 2019)



Source: AirDNA

Lake Placid Short-Term Rental Market at a Glance

Rentals Available: 620 (Dec. 2019)

Median Daily Rate: \$360

Median Monthly Revenue: \$2,950 (\$35,400 annual)

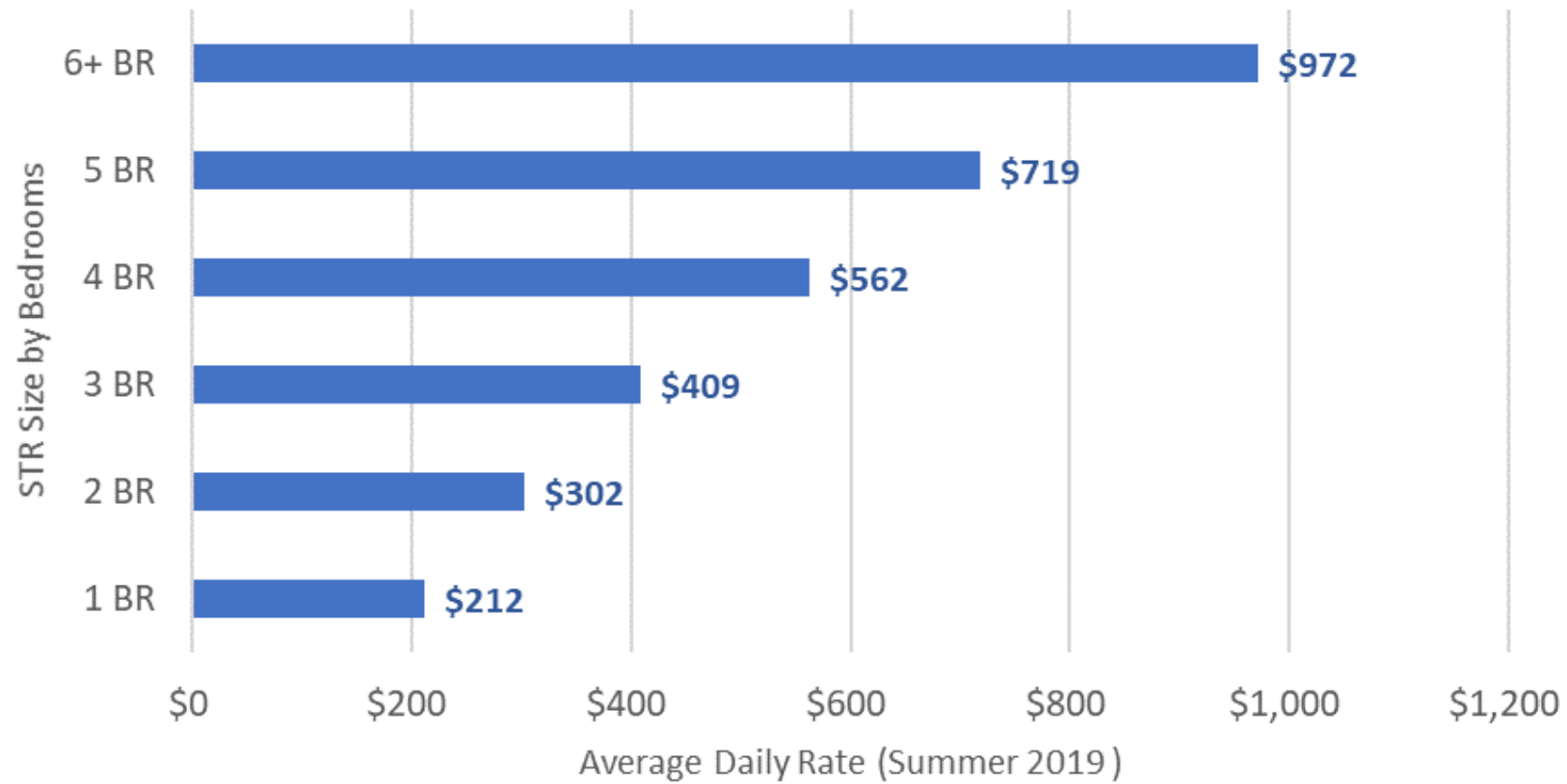
Average Guests: 7.7

Average Bedrooms: 3.1

Average Nights per Year: 129

STRs in North Elba

Peak STR Rental Rates: Lake Placid Market
(Summer 2019)



Comparison Regulations

- 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, NY

Comparison: Definitions & Rental Limitations

Generally Aligns

- ✓ Definition of STR (30-nights)

Does Not Generally Align

- ✗ 90-Day Restriction on All STRs

(But 3 examples do restrict number of days for “Unhosted” rentals)

Host Definition Can Vary:

- ▶ Overnight at same time as guests. Permanent resident = 275 nights per year
- ▶ On premises between 10PM and 6AM
- ▶ Present onsite throughout the rental

Comparison: Permitting and Licensing

Generally Aligns

- ✓ Requires Permit to Operate STR

Does Not Generally Align

- ✗ 24-Month Permit Length (12-month more common)
- ✗ Unique Permit Fee Waiver for STRs rented 14 days or fewer

Other Findings:

- ▶ Permit fees range from \$25 - \$450 (Generally the same fee for all types of STRs)
- ▶ Most do not require site plan submissions
- ▶ One community uses STR fees and taxes for affordable housing initiatives

Comparison: Rules and Regulations

Generally Aligns

- ✓ Inspections not required upfront for permit
- ✓ Signed legal document (affidavit)
- ✓ No limitation on *where* STRs can operate
- ✓ Formula approach to occupancy limitations
- ✓ Property manager required to be close/available to resolve issues

Does Not Generally Align

- ✗ Requires a site plan for permit
- ✗ Occupancy limits vary by day/night
- ✗ Detailed septic requirements
- ✗ More detailed parking restrictions
- ✗ Does not require STR to be owner's primary residence

Comparison: Violations, Penalties, and Appeals

Generally Aligns

- ✓ Tiered fiscal penalties
- ✓ Has a defined formal appeals process
- ✓ Offenses are civil (not criminal)

Does Not Generally Align

- ✗ Has a specific STR review committee (rather than using a pre-existing committee)

Other Findings:

- ▶ 3 strike policies within a defined time period are common for revoking permits
- ▶ Several examples of online complaint portals

Comparison: Other Findings

Town of Southampton: Unique STR Policy:

- STRs banned except for major events (by Town Board Resolution)

Use of STR-Related Revenue for Affordable Housing:

- State of Massachusetts: STR Occupancy Tax
- Portland, OR: STR Occupancy Tax Revenue for Housing Fund
- New Orleans, LA: City Assesses \$1/night fee for Housing Fund & STR Occupancy Tax
- Telluride, CO: STR Occupancy Tax Revenue for Housing Fund

Literature Review

National Bureau of Economic Research - *The Welfare Effects of Peer Entry in the Accommodation Market: The Case of AirBNB (2018)*

Washington State University - *The Impact of the Gig Economy on Financial Hardship Among Low Income Families (2019)*

Economic Policy Institute - *The Economic Costs and Benefits of AirBNB (2019)*

University of Waterloo - *Why Tourists Choose AirBNB: A Motivation-Based Segmentation Study Underpinned by Innovation Concepts (2016)*

McGill University - *The High Cost of Short-Term Rentals in New York City (2018)*

State of Vermont General Assembly - *Short-Term Rental Working Group Report*

Overall: Limited Quality/Unbiased Studies on Impacts of STRs Exist

Literature Review: General Economic Impacts

Tourism Benefits:

- Little evidence that STRs have significant impact on number of visitors (most would substitute other types of lodging)

Evidence in North Elba:

- STRs needed to accommodate demand for major events when lodging demand exceeds supply of traditional rooms (hotel, motel, etc.)
- ROOST Research: STR visitors spend more, stay longer

Literature Review: Impact on Housing Supply & Costs

- In theory: reduction in housing supply = higher housing prices
- But no consensus in the literature on impact of STRs on housing prices
 - Only 1 study (NYC) found a potential quantitative impact
- Can also help affordability by providing supplemental income
- Potential decreases in nearby property values from nuisance type issues not proven (or disproven) in literature

Literature Review: Impact on Housing Supply & Costs

Evidence in North Elba :

- Housing values increasing in recent year at same time number of STRs has increased (but can't prove direct cause-effect)
- Long-term rental unit availability has declined due to STRs
- Community members identified “providing extra income for local households” as the greatest benefit of STRs

Literature Review: Impact to Community Character

Evidence in North Elba :

- Noise and nuisance complaints to local law enforcement during summer months has been increasing
- Police department reports that most are from vacation rental properties
- Parking issues have been documented at STR properties

Literature Review: Health & Safety Impacts

- Documented examples in Literature of examples of health/safety issues with STRs
- NYC Study found that 72% of Airbnb listings violated safety laws

Evidence in North Elba :

- No hard data available

How Does Ordinance Address Potential Negative Impacts?

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

How Does Ordinance Address Potential Negative Impacts?

Impacts to Neighborhoods and Community Character			
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?
Ensure that residential neighborhoods are not transformed into year-round transient neighborhoods to the detriment of permanent residents.	<p>Adopt a formal permit requirement for short term rentals;</p> <p>Set specific quotas on or restrictions of the number or location of STRs in any given neighborhood or zoned area;</p> <p>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.</p>	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	<p>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;</p> <p>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;</p> <p>Require operators to post relevant information on the parking limitations of the property/neighborhood in the rental unit;</p>	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

How Does Ordinance Address Potential Negative Impacts?

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?
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.

How Does Ordinance Address Potential Negative Impacts?

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.

Town of North Elba & Village of Lake Placid *Short-Term Rental Assessment*

