

REGULATING SHORT TERM RENTALS (OR NOT)

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THE SHARING ECONOMY

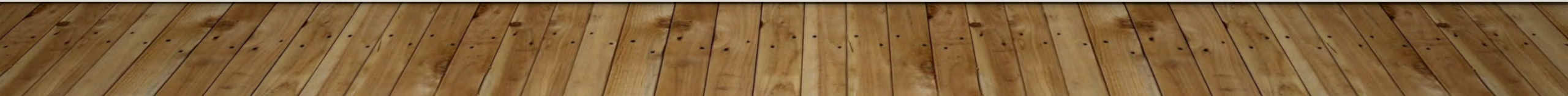
“the **peer-to-peer** based activity of obtaining, giving, or sharing access to good and services”.

Alternative names for this phenomenon include **peer-to-peer economy, gig economy, platform economy, access economy, and collaborative consumption.**

—National League of Cities / Brookings Institute

“Today is the slowest rate of change we will ever experience.”

—*Jonathan Macdonald*



GLOBAL VACTION RENTAL MARKET

2016
VALUE



\$137.77 billion

2021
VALUE



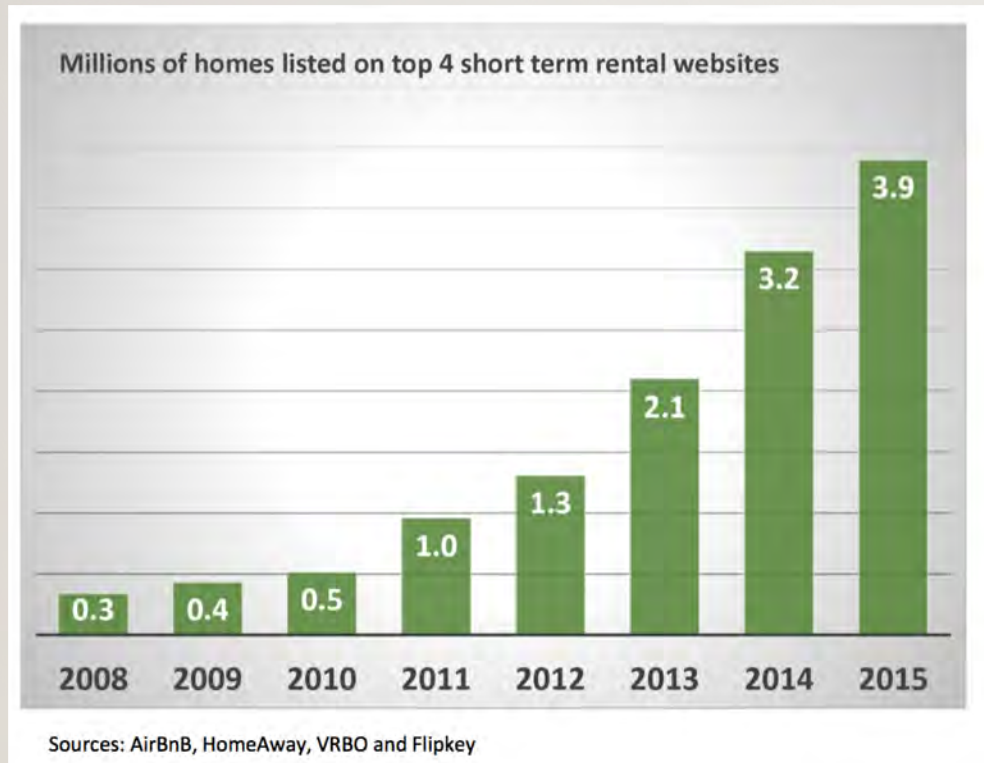
\$193.89 billion

\$56.12
BILLION

INCREMENTAL GROWTH

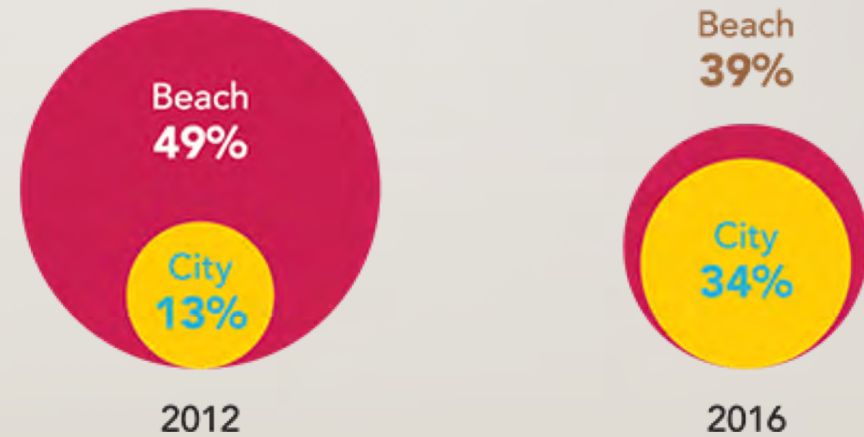
 **technavio**

GLOBAL VACTION RENTAL MARKET

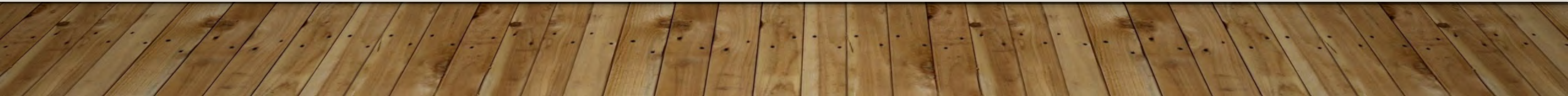


THE GROWTH OF THE URBAN ACCOMMODATION

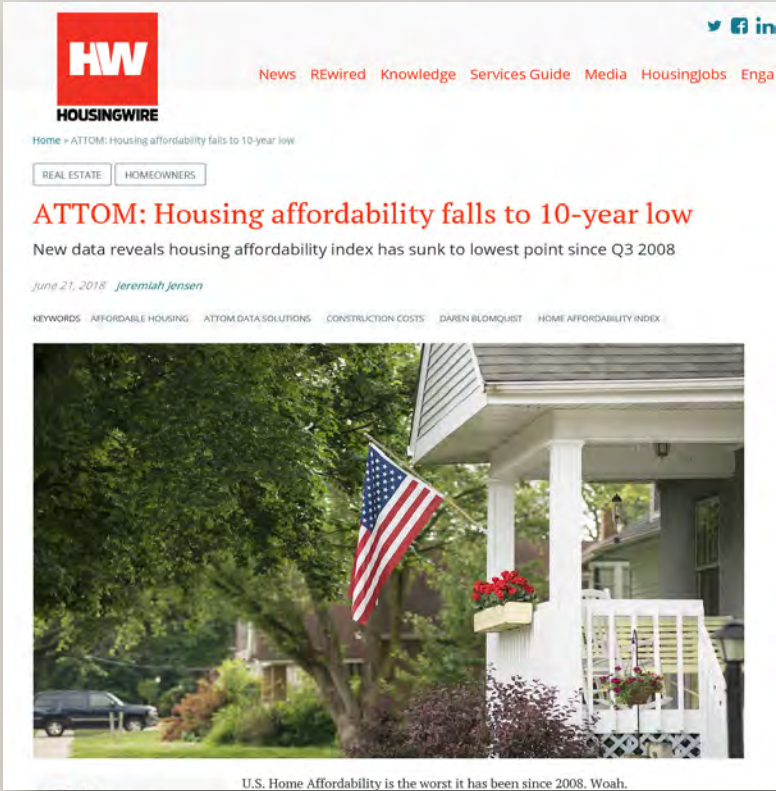
The growth of urban private accommodations is driving change in destination mix, as cities continue to emerge as hotspots for rentals.



CHALLENGES & OPPORTUNITIES



CHALLENGE - HOUSING AFFORDABILITY



The screenshot shows a news article from HousingWire. The main headline is "ATTOM: Housing affordability falls to 10-year low" in red text. Below it, a sub-headline reads "New data reveals housing affordability index has sunk to lowest point since Q3 2008". The article is dated "June 21, 2018" and written by "Jeremiah Jensen". There are social media icons for Twitter, Facebook, and LinkedIn at the top right. A photograph of a house with a white porch and an American flag is featured below the text.

HW HOUSINGWIRE

News REwired Knowledge Services Guide Media HousingJobs Enga

Home » ATTOM: Housing affordability falls to 10-year low


REAL ESTATE HOMEOWNERS

ATTOM: Housing affordability falls to 10-year low

New data reveals housing affordability index has sunk to lowest point since Q3 2008

June 21, 2018 Jeremiah Jensen

KEYWORDS AFFORDABLE HOUSING ATTOM DATA SOLUTIONS CONSTRUCTION COSTS DAREN BLOMQUIST HOME AFFORDABILITY INDEX



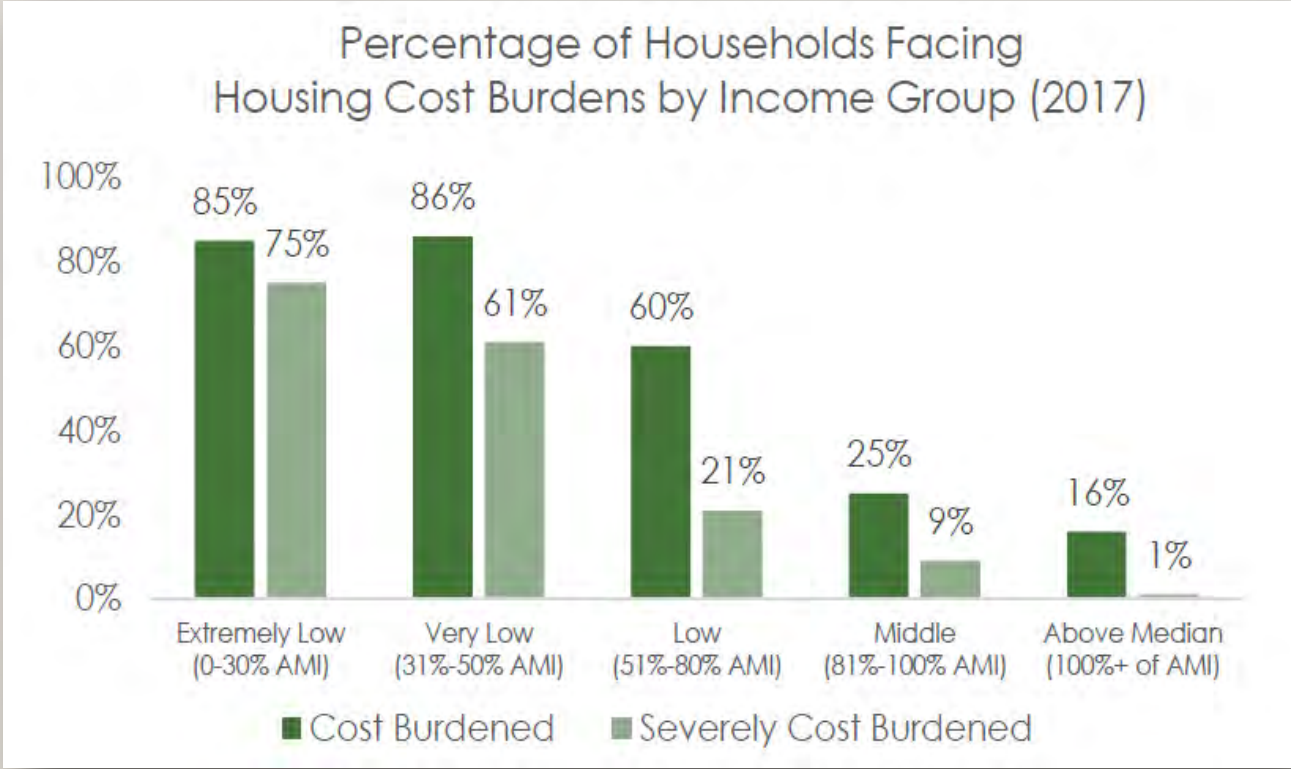
U.S. Home Affordability is the worst it has been since 2008. Woah.



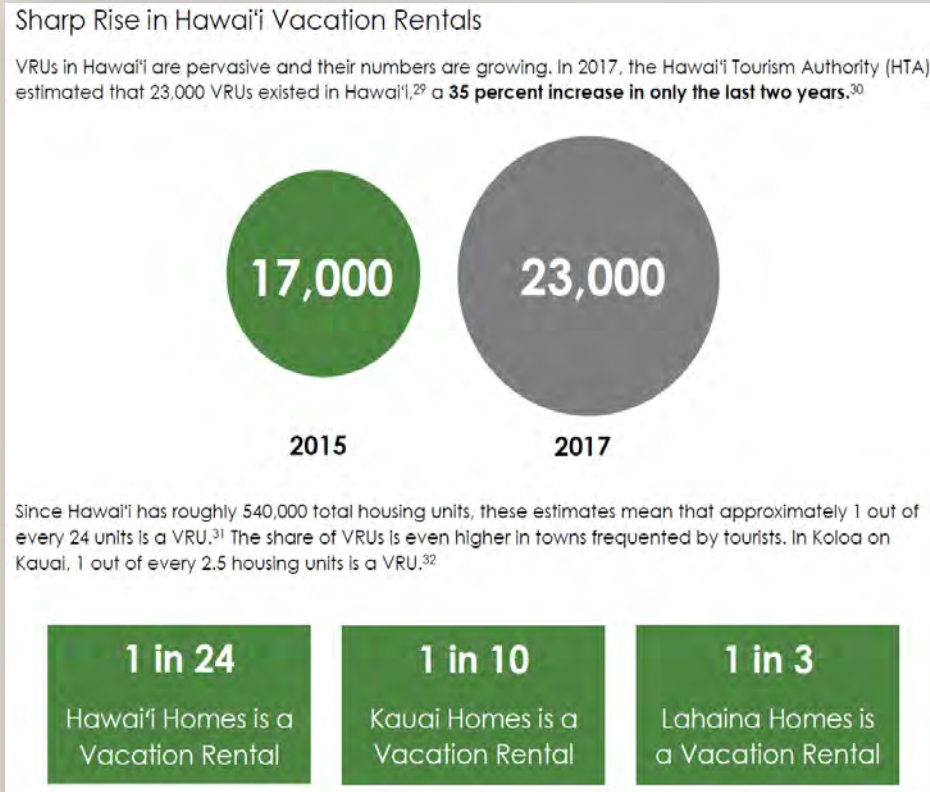
CHALLENGE - HOUSING AFFORDABILITY



CHALLENGE - HOUSING AFFORDABILITY

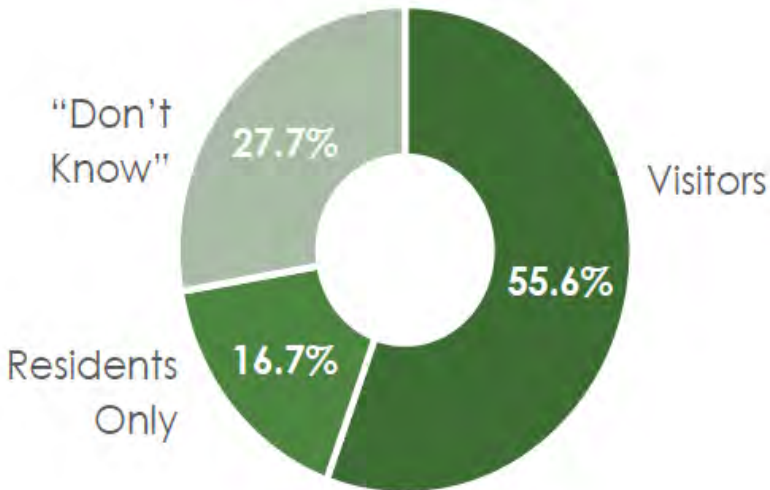


CHALLENGE - HOUSING AFFORDABILITY



CHALLENGE - HOUSING AFFORDABILITY

Who Nonresident Maui Property Owners Say They Rent To



3.5x

Amount of revenue an average Airbnb unit can generate compared to a long-term rental

52%

At minimum, 52% of VRUs are owned by nonresidents

CHALLENGE - NEIGHBORHOOD INTEGRITY



CHALLENGE - NEIGHBORHOOD INTEGRITY



CHALLENGE - LEVEL PLAYING FIELD (TAXES)

Short-Term Lodging (tax.idaho.gov/lodging)

Anyone who provides temporary lodging (30 days or less) for a fee in Idaho is responsible for collecting and submitting the following Idaho taxes:

- 6% Sales tax
- 2% Travel and convention tax
- *Any Local Option Tax approved by voters*
- *Greater Boise Auditorium District tax*

CHALLENGE - LEVEL PLAYING FIELD (TAXES)

Some of the consequences when Short Term Rentals are not registered and are not remitting their required taxes:

- Sales taxes are foregone (Unfair burden to those that pay)
- Schools do not receive their fair funding
- “Homeowner’s Exemption” for property tax relief maliciously obtained in some cases
- Results in lowest cost stay (more bookings), or even worse; taxes collected go into pocket of STR provider

CHALLENGE - FAIR & EQUITABLE ENFORCEMENT

Perception:
(Billboard paid for by Air B-n-B)

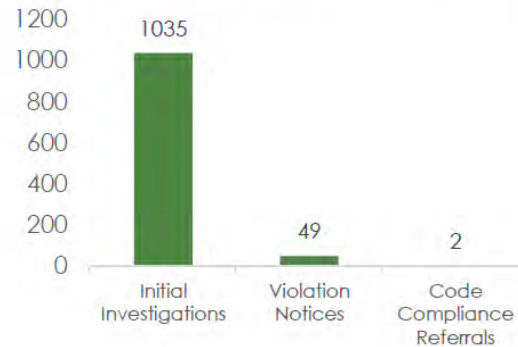


Reality:

Current State of VRU Enforcement

Increased enforcement is essential to ensuring that the VRU industry in Hawai'i remains in check. Additionally, the burden for proving a violation should be reduced—enforcement agencies claim that advertising the unit as a VRU is not, on its own, sufficient proof it is being used as a VRU. On Oahu for example, from January through August of 2017, Honolulu's Department of Planning and Permitting (DPP) conducted 1,035 VRU investigations. They issued 49 notices of violation, only two of which were referred to the Code Compliance Branch for civil fines.⁷⁰

Oahu VRU Enforcement Actions



OPPORTUNITY – INCOME SOURCE FOR RESIDENTS

- Vacation rental income comprises about a quarter (24%) of the average owner's income

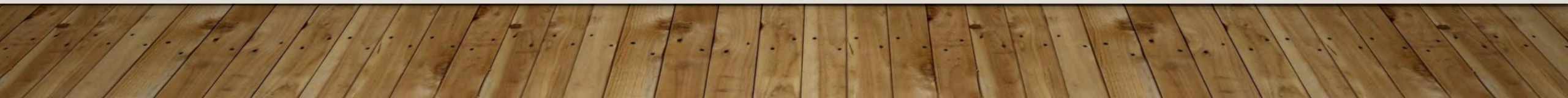


OPPORTUNITY – CONVIENIENCE & AFFORDABILIIY

- Cook your own meals
- More space for your buck (at least for larger spaces particularly if unregulated)
- Often more amenities (i.e. parking)
- Instant Booking

OPPORTUNITY – EXPERIENCE

- Can help discover a place
- More personal experience



OPPORTUNITY – TAX REVENUE

- If captured.

RESORT CITY TAX FACT SHEET

Understanding Resort City Taxing Authority to Offset Demands on City of Sandpoint Residents



Resort City Tax Ballot Measure

ELECTION: NOVEMBER 4TH, 2014

A 7% hotel/motel room occupancy tax on all short term (30 or fewer days) rental charges for hotel rooms, motel rooms, condominium units, tourist homes, bed and breakfast establishments, and similar facilities.

OPPORTUNITY – PROPERTY UPKEEP

- Profit motive may lead to better kept properties
- Reviews online are what drives success



WHAT DOES THE STATE OF IDAHO SAY?

DEVELOPMENT OF STATUTORY PROPOSALS (2017)

- **House Bill 66**

- Held in committee
- Would have established new chapter in title 55 (real property)
- Contained “perplexing” concepts

- **House Bill 216 – Created Idaho Code §67-6539**

- Advanced by real estate interests and Expedia
- Prohibited outright prohibition of short-term rentals in any jurisdiction
- Allowed regulation to protect public health and safety
- Declared use to be a residential in nature
- Prohibits regulation of online marketplaces

DEVELOPMENT OF STATUTORY PROPOSALS (2018)

- **House Bill 452**
 - Semantic changes to Idaho Code §67-6539

IDAHO CODE §67-6539

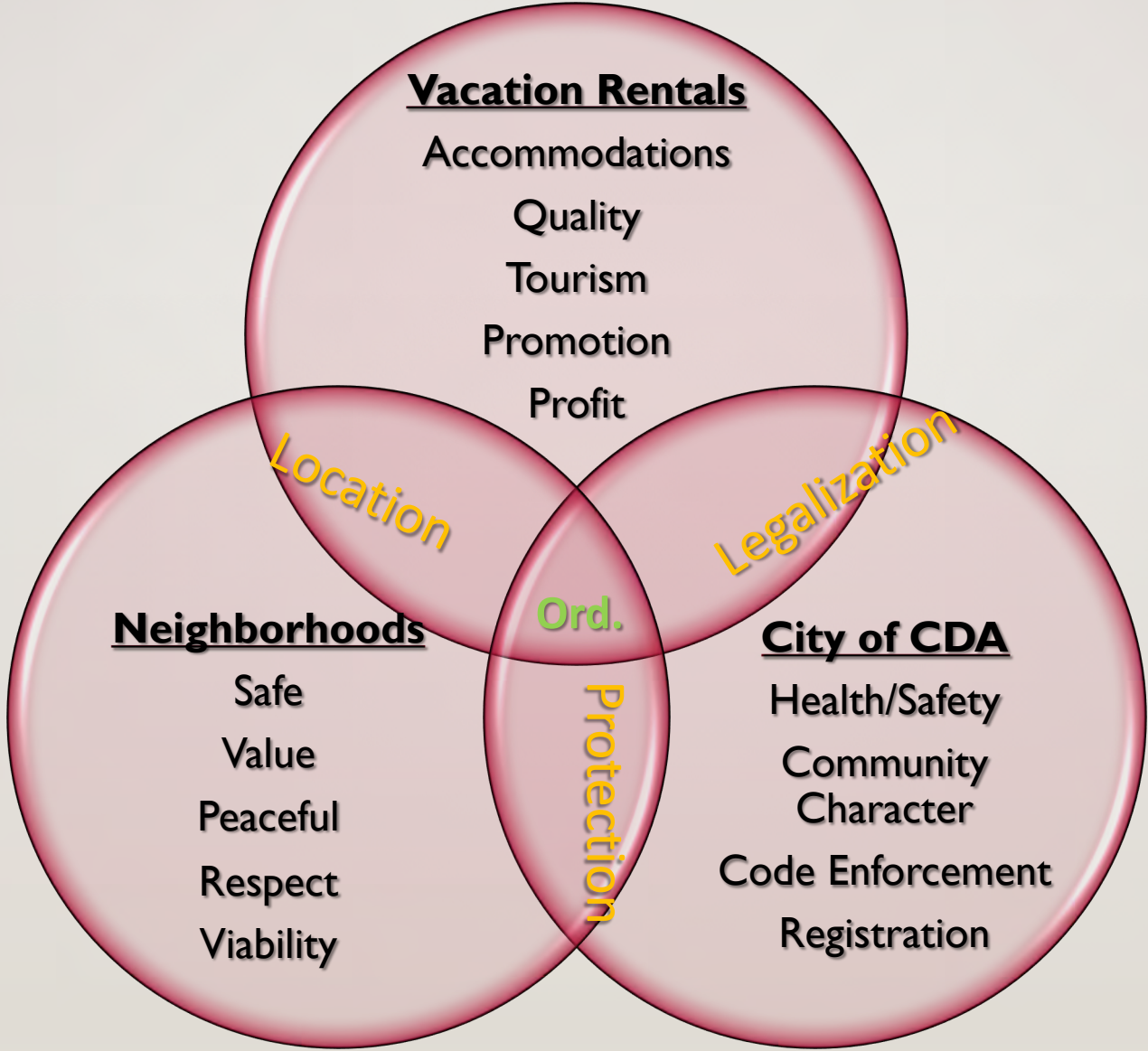
- 67-6539. Limitations on regulation of short-term rentals and vacation rentals.
- (1) Neither a county nor a city may enact or enforce any ordinance that has the express or practical effect of prohibiting short-term rentals or vacation rentals ~~throughout the jurisdiction of such~~ in the county or city. ~~Notwithstanding the foregoing prohibition~~ A county or city may implement such reasonable regulations as it deems necessary to safeguard the public health, safety and general welfare in order to protect the integrity of residential neighborhoods in which short-term rentals or vacation rentals operate. A short-term rental or vacation rental shall be classified as a residential land use for zoning purposes subject to all zoning requirements applicable thereto.
- (2) Neither a county nor a city can regulate the operation of a short-term rental marketplace.
(2018)

COEUR D'ALENE, IDAHO



GOALS

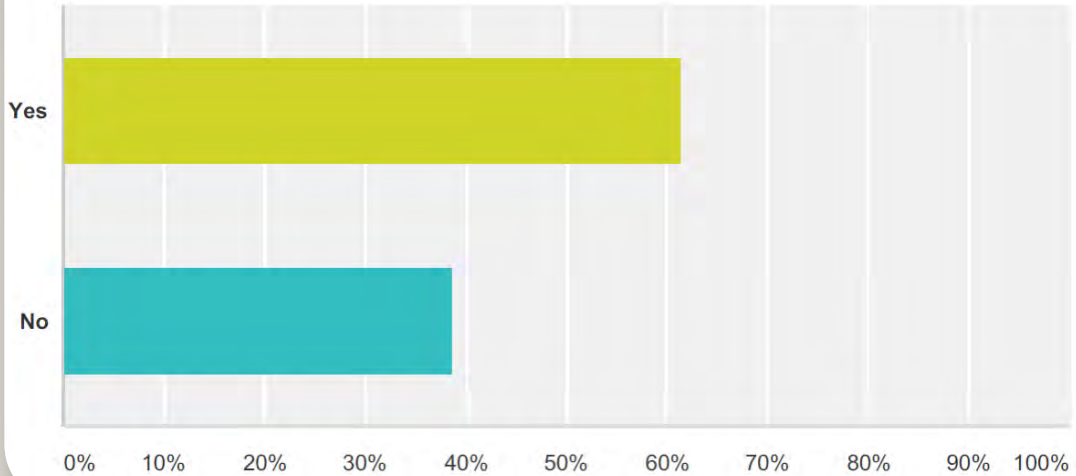
- Maintain neighborhood character
- Track STR stocks (mapping)
- Follow macro/local VRBO trends
- Establish balance/fairness
- Create clear and reasonable rules



COMMUNITY SUPPORT

Q14 Would you support a Vacation Rental ordinance in Coeur d'Alene?

Answered: 486 Skipped: 117



| Answer Choices | Responses |
|----------------|------------|
| Yes | 61.32% 298 |
| No | 38.68% 188 |
| Total | 486 |

KEY ISSUES

- Occupancy
- Parking
- Length of stay
- Exemption
- Management
- Advertising
- Enforcement



KEY ISSUES

- Occupancy
- Parking
- Length of stay
- Exemption
- Management
- Advertising
- Enforcement

17.02.055: DEFINITIONS VIII:

B. "Family" unless otherwise specified by ordinance means any of the following:

1. One or more persons who are related by blood, marriage, or adoption; or
2. No more than four (4) persons who are unrelated by blood, marriage or adoption living together as a single housekeeping unit; or
3. No more than a total combination of five (5) persons related and unrelated living together as a single housekeeping unit;

KEY ISSUES

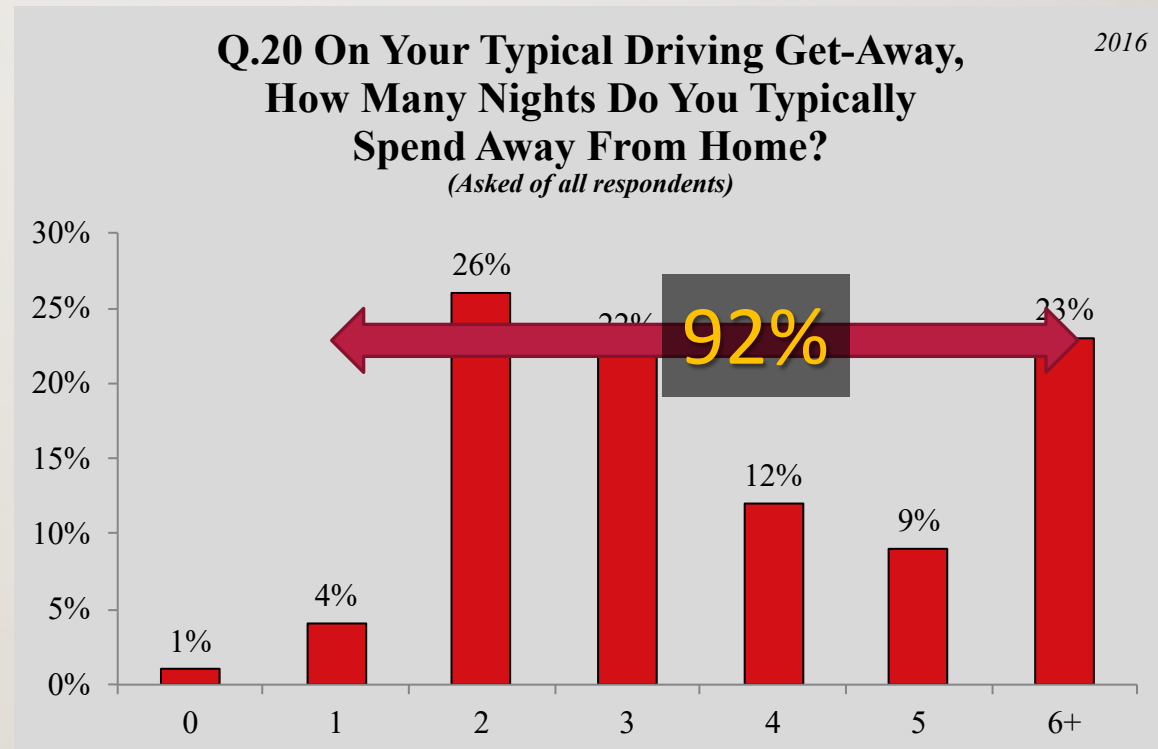
- Occupancy
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Photo: Google Maps/Street View

KEY ISSUES

- Occupancy
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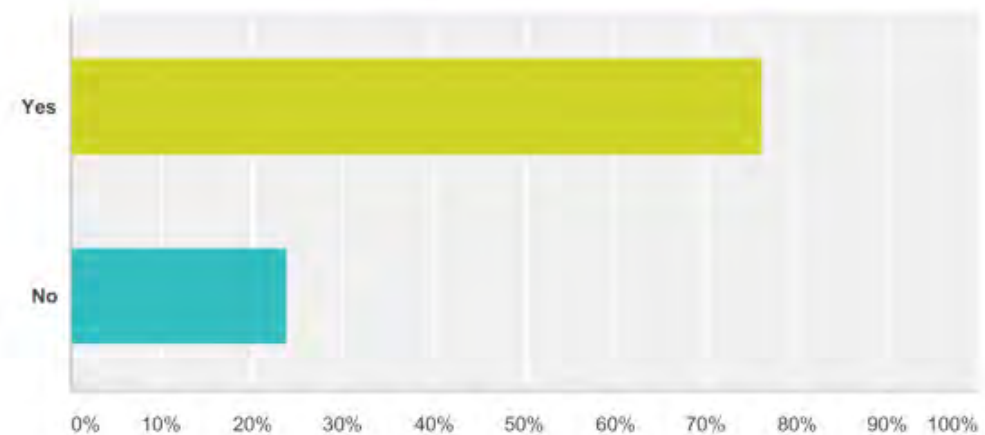
Robinson Research/Coeur d'Alene Convention and Visitor's Bureau

KEY ISSUES

- Occupancy
- Parking
- Length of stay
- Exemption
- Management
- Advertising
- Enforcement

Q10 Should the city ordinance allow any homeowner in the city to rent their homes twice a year (for a maximum of 14 days total) without registering as a Vacation Rental?

Answered: 557 Skipped: 46



KEY ISSUES

- Occupancy
- Parking
- Length of stay
- Exemption
- Management
- Advertising
- Enforcement

Any Residential Dwelling in the City may be rented without a permit for no more than fourteen (14) days per calendar year, where those fourteen (14) days are divided into no more than two (2) stays.

KEY ISSUES

- Occupancy
- Parking
- Length of stay
- Exemption
- Management
- Advertising
- Enforcement

1 hour response time for owner/manager to deal with any (valid) neighbor complaints. This was designed to direct the first point of contact to the manager/renter to relieve burden from Police. If not resolved, Police will respond, and incident could be considered a violation.

KEY ISSUES

- Occupancy
- Parking
- Length of stay
- Exemption
- Management
- Advertising
- Enforcement

All advertising for the Short-Term Rental shall include the City permit number. No signs shall be displayed on the property.

KEY ISSUES

- Occupancy
- Parking
- Length of stay
- Exemption
- Management
- Advertising
- Enforcement

Failure to comply with any of the standards of this Article, the City Clerk or his/her designee may revoke a permit and, in addition, may order that no new permit shall be issued for up to three (3) years.

CONSISTS OF THREE PARTS

1. “Good Neighbor” Policy (Tri-fold)
2. Ordinance
3. Application:
 - Self-Inspection Document
 - Parking Plan
 - Escape Plan (Incl. gas, water, electric shutoffs)
 - Neighborhood Notice (Borrowed from Portland, OR)

www.cdaid.org/vacationrentals

THE THREE PARTS

I. "GOOD NEIGHBOR" POLICY (TRI-FOLD)



Common courtesy and respect go a long way. Loud music, unruly parties, and improper parking are code violations. They will not be tolerated and neighbors are encouraged to report violations to the police.

Conduct yourself accordingly and welcome to our world-class resort community. You will love it here.



710 E. Mullan Avenue
Coeur d'Alene, ID 83814

(208) 769-2300

www.cdaid.org/short-term



This good neighbor pamphlet contains important information regarding your short-term stay in Coeur d'Alene.

Please follow this guide to ensure your stay is enjoyable for everyone.



OCCUPANCY

The maximum overnight occupancy on premises for short-term residential uses between 11p.m. and 6 a.m. is defined as a "family".

- 17.02.055: DEFINITIONS VIII:
B. "Family" unless otherwise specified by ordinance means any of the following:
1. One or more persons who are related by blood, marriage, or adoption; or
 2. No more than four (4) persons who are unrelated by blood, marriage or adoption living together as a single housekeeping unit; or
 3. No more than a total combination of five (5) persons related and unrelated living together as a single housekeeping unit.

NOISE

Our neighborhoods are great places. We intend to keep them that way. Respect those around you and we'll all have the best vacation ever!

- 17.07.120: VIBRATION AND NOISE:
B. In all districts, the use of property shall not create a noise level for residentially zoned property in excess of the following criteria, measured by an approved and properly calibrated decibel meter:
1. Daytime level (7:00 A.M. to 10:00 P.M.), sixty five (65) dB.
 2. Nighttime level, fifty five (55) dB.

PARKING

Parking comes at a premium the closer you get to the lake. Private off-street parking must be fully utilized prior to parking on the streets. Never block the sidewalk or neighbor's driveway.

PETS

Coeur d'Alene is a dog friendly city. Dogs and people love it here! Be sure to check if your vacation rental allows pets if they are joining you.

Please leash & pick up after your pet.

THE THREE PARTS

2. ORDINANCE

CHAPTER 17.08 SPECIAL/HAZARD AREA REGULATIONS

ARTICLE X SHORT-TERM RENTALS

- 17.08.1010: PURPOSE:**
17.08.1020: DEFINITIONS:
17.08.1030: PERMIT REQUIRED:
17.08.1040: STANDARDS:
17.08.1050: VIOLATIONS; PENALTIES:
17.08.1010: PURPOSE:

A. The purpose of this Article is to establish regulations for the use of Residential Dwellings as Short-Term Rentals, establish a system to track the Short-Term Rental inventory in the City, ensure compliance with local performance standards, provide a means of contact for the Responsible Party of a Short-Term Rental, establish a Good Neighbor Policy for Occupants of Short-Term Rentals and their guests, and allow private property owners the right to fully and efficiently utilize their property without undue regulation or interference.

B. Nothing in this Article shall be construed so as to nullify or override any lease agreements, or covenants, conditions, and restrictions applicable to the property that may prohibit or restrict its use for Short-Term Rental purposes.

17.08.1020: DEFINITIONS:

A. "Good Neighbor Policy" shall mean the list of general rules of conduct, best practices, and standards of respect prepared by the Planning Department and required to be provided to Occupants and their guests utilizing Short-Term Rentals within the City.

B. "Occupant" shall mean the person or persons who contract with the Responsible Party for use of the Short-Term Rental.

C. "Residential Dwelling" shall mean a single unit providing complete and independent living facilities for one or more persons, including permanent provisions for living, sleeping, eating, cooking, and sanitation. Tents, recreational vehicles, campers, and similar units not designed for permanent residential use are excluded from this definition.

D. "Responsible Party" shall mean the owner of a Residential Dwelling being used as a Short-Term Rental, as well as any person designated by the owner who is responsible for compliance with this Article by an Occupant and any guests utilizing the Short-Term Rental. The Responsible Party shall provide for the maintenance of the property and ensure compliance by the Occupant and any guests with the provisions of this Article, or any other applicable law, rule, or regulation pertaining to the use and occupancy of a Short-Term Rental. The owner of the property shall not be relieved of responsibility or liability for noncompliance with the provisions

of this Article, or any other applicable law, rule, or regulation pertaining to the use and occupancy of a Short-Term Rental because of the designation of another Responsible Party. All Responsible Parties shall be at least twenty-one (21) years old.

E. "Self-Inspection Checklist" shall mean the current form approved by the City for use with a Short-Term Rental application.

F. "Short-Term Rental" shall mean a Residential Dwelling which is rented for a minimum of two (2) nights and a maximum of thirty (30) days, and which is sometimes referred to as a "vacation rental." This term does not include a Bed-and-Breakfast facility, an RV Park or campground, or a hotel or motel.

17.08.1030: PERMIT REQUIRED:

A. An applicant for a Short-Term Rental permit must be the owner of the Residential Dwelling to be offered for rent. No person with less than a fee ownership interest may apply for a Short-Term Rental permit.

1. A Short-Term Rental permit is issued to the applicant and does not attach to the Residential Dwelling.

2. A Short-Term Rental permit is non-transferable.

B. Prior to offering a Short-Term Rental to the public, the owner of the Residential Dwelling shall complete an application on a form provided by the City and file it with the City Clerk or his/her designee. The application shall include:

1. The owner's legal name, date of birth, contact number, and both physical and mailing addresses;

2. If the Short-Term Rental is to be operated or managed by someone other than the owner, the name, date of birth, contact number, and both physical and mailing addresses for a Responsible Party with day-to-day authority and/or control over the Short-Term Rental, together with a copy of a valid government-issued identification of any Responsible Party;

3. The address of the Short-Term Rental; and

4. The signatures of the owner and other Responsible Party, if any, agreeing and acknowledging that they are jointly responsible for the compliance by the Occupant and any guests with all applicable laws, rules, and regulations pertaining to the use and occupancy of the Short-Term Rental, and for any unreasonable noise, disturbances or disorderly conduct by the Occupant and/or guests while utilizing while on the property of the Short-Term Rental.

C. If any information required by subsections B(1) through (4) hereof changes, a Responsible Party shall promptly advise the City.

D. At the time an application is filed with the City, a Responsible Party shall complete and file with the City the Self-Inspection Check list. A new Self-Inspection Checklist shall be completed and filed with the City each year thereafter during which the Short-Term Rental will be offered to the public.

E. Short-Term Rentals are not a grandfathered use. All Short-Term Rentals in the City must have a permit to operate.

F. Subject to § 17.08.1010(B), any Residential Dwelling in the City may be rented without a permit for no more than fourteen (14) days per calendar year, where those fourteen (14) days are divided into no more than two (2) stays.

17.08.1040: STANDARDS:

A. Accessory Dwelling Units.

1. For properties that contain an Accessory Dwelling Unit (ADU), as defined by § 17.02.030(E) of this Code, neither the ADU nor the associated principal dwelling may be used as a Short-Term Rental.

B. Duties of Responsible Party.

1. A Responsible Party must be available twenty-four (24) hours per day, seven (7) days per week, for the purpose of responding within sixty (60) minutes to complaints regarding the condition of the Short-Term Rental or the conduct of the Occupant of the Short-Term Rental and/or their guests.

2. A Responsible Party shall obtain the name, address, and contact number of each Occupant of a Short-Term Rental.

3. A Responsible Party shall provide the information required in section 17.08.1040(B)(2) to the City at the City's request, if available.

4. A Responsible Party, upon notification that any Occupant or guest has created any unreasonable noise or disturbance, engaged in disorderly conduct, or committed a violation of any applicable law, rule or regulation pertaining to the use and occupancy of a Short-Term Rental, shall promptly respond in an appropriate manner within sixty (60) minutes and require an immediate halt to the conduct, and take such steps as may be necessary to prevent a recurrence of such conduct. Failure of the Responsible Party to respond to calls or complaints regarding the condition, operation, or conduct of an Occupant or guest in a Short-Term Rental in an appropriate manner within sixty (60) minutes shall constitute a violation of this Article.

5. A Responsible Party shall provide written notice to all residents within one hundred (100) feet of a Residential Dwelling that it is being used, or will be used, as a

THE THREE PARTS APPLICATION

3. ONLINE TO SAVE MONEY & TIME

Vacation Rental (VR): Self-Inspection Checklist

Please fill this form out completely - missing information will prevent approval and delay sign-off for this application. By filling this document the applicant acknowledges and warrants that the applicant is a legally established unit.

VR ADDRESS: _____ DATE: _____

OWNER Name/Address/Phone: _____

APPLICANT Name/Address/Phone: _____

MANAGER IF APPLICABLE Name/Phone: _____

24/7 PHONE NUMBER (in case of Emergency): _____

LEGAL DESCRIPTION (in case of Emergency): _____

OWNER EMAIL: _____

MANAGER EMAIL (if applicable): _____

UNIT TYPE(S)
(Check all that apply)

Single Family Detached Unit (SFDU)

Duplex

Multi-Family

Condo

Single Unit 17' or 22'

Split Units 17' or 22'

FIRE SAFETY

Smoke detectors are installed on the ceiling, in the street location, and installed on each floor, in each sleeping room and outside each sleeping area.

Smoke Detectors are tested monthly and maintained with a new battery annually. WPA recommendation is to replace smoke detectors every 10 years.

Candles and hot oil are not allowed in garages? Yes No

If gas, scolding and tested Carbon Monoxide (CO) detectors installed outside sleeping areas, tested monthly and batteries replaced annually.

Printed and posted floor plans and home fire escape plans from each floor indicating 2 ways out.

24-28°C fire extinguisher shall be supplied on each floor to plan view and annual testing performed with tag attached. Date last of inspection: _____

Gas water and electrical shut off and home heating assistance and safety use will be explained to each renter.

DISINFEST

Home maintenance and/or repairs of natural gas cooking and heating appliances should be conducted by a trained technician to manufacturer's specifications.

The combustion chamber within 3 feet of heating and cooking appliances.

Address numbers facing the street shall be displayed in contrasting colors and are required to be 4" tall numbers with a min width of 8" side stroke width.

Address listed and displayed on a welcome card with "Call 9-1-1" as the emergency number to call. Owner/Manager phone number to call is listed on card.

Electrical extension cords used for permanent wiring are not allowed, power strips with surge protection are allowed.

**** Multi-Family (Condo/Apartments) Requirements ****

Fire Sprinkler/Fire Alarm records of testing and inspection records:
Fire Sprinkler: Date of last inspection: _____
Fire Alarm: Date of last inspection: _____

The applicant affirms, under penalty of perjury, that the information contained herein is true and correct to the best of their knowledge and belief, and agrees to hold the City harmless for any damages resulting from applicant's misrepresentation, intentional or otherwise.

Owner Address (Primary Residence): _____

Manager Address (if applicable): _____

Owner/Manager Phone Number (for 24-hour Contact): _____

Owner Signature: _____ Manager Signature: _____

Date: _____

Dated this _____ day of _____, 20____

Submitted and sworn to before me this _____ day of _____, 20____

Notary Public for State of Idaho
Residing at: _____
My commission expires: _____

Not Noted

Short-Term Rental (STR): Parking Plan

Name of St/Ave/Rd: _____ (if corner lot)

PROPERTY LINE

PROPERTY LINE

Address: _____

Number of off-street parking stalls: _____

All Occupants and guests shall, to the greatest extent possible, utilize any off-street parking of the Residential Dwelling which constitutes the Short-Term Rental, prior to parking in the streets.

FIRE DEPARTMENT SAFETY SHEET
(Must be posted on each level of dwelling)

**IN CASE OF EMERGENCY: POLICE / FIRE / MEDICAL
CALL 911**

Your location: _____

Owner/Responsible Party (Name): _____

Phone Number: _____

In case of fire or smell of natural gas: **EVACUATE** then immediately call 911

**** Aerial fireworks prohibited by city ordinance ****

Legend:
FE: FIRE EXTINGUISHERS ARE LOCATED
GS: GAS SHUTOFF LOCATED
___: PRIMARY ESCAPE ROUTE
WS: WATER SHUTOFF LOCATED
ES: ELECTRICAL SHUTOFF LOCATED
---: SECONDARY ESCAPE ROUTE

ENJOY YOUR STAY!

Short-Term Rental (STR): Neighborhood Notice

I have adopted a code to allow short-term (vacation) rentals. Section 17.08 of the City of Coeur d'Alene Code allows the use of residential units for short-term stays as defined in code on a short-term basis. This use is defined as a stay of 1 to 29 nights.

Because I will be renting out my residential unit on a short-term basis, and I am required to mail or deliver this notice to the adjacent neighbors as listed contact information for a responsible party that may be reached at a short-term renter. Please contact the responsible party first if you are a renter as creating a nuisance that directly impacts you. If they do not respond, you can call the Police.

Neighborhood: _____

Address: _____

Phone Number: _____

Neighbor: _____

Map showing site location relative to street and alleyway.

Code requires the responsible party to resolve a problem within one hour. If they haven't responded within one hour, you may contact the Police at (208) 769-2302. Only call 9-1-1 in the event of a life threatening emergency.

This notice is provided as a courtesy and you may contact the City of Coeur d'Alene's Planning Department during business hours with general questions about the STR code by phone (208) 769-2274, email planning@coeurdalene.org, or in our office at 710 E. Mullian Ave., Coeur d'Alene, ID 83814.

FINAL PRODUCT

- Permit required for all vacation rentals
- Responsible party available 24/7
- Permit number on all advertisements
- Definition of “family” to determine occupancy
- 1 day stays allowed
- No exterior signage
- 2 week exemption from ordinance
- ADUs allowed as STRs (+ 1 parking stall required)

GRAIN OF SALT ADVICE...

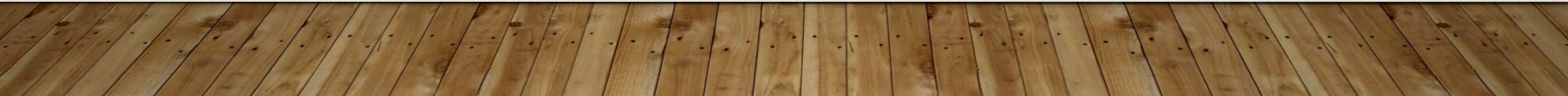
- Public commenting: Is it a fair shake?
 - Paper, website, TV, social media, survey
- Unintended consequences
 - ADUs, Neighborhood notice, Halfway homes, etc.
- Work closely with other departments
 - I.T., processing, Code Enforcement, Fire, Building, etc.
- Sufficient resources for enforcement!
 - 1.5 FTEs for 53,000 citizens

SANDPOINT, IDAHO



SANDPOINT STR POLICY OBJECTIVES

1. Ensure that Sandpoint's traditional neighborhoods—highly valued by residents—are not transformed ~~exclusively into tourist areas to the detriment of long-term residents.~~
2. Minimize public safety risks and negative impacts to neighborhoods.
3. Provide permanent residents an equitable path to occasionally utilize their properties as short-term-rentals.
4. Ensure that the availability of dedicated short-term rental properties are balanced with the need for affordable long-term rental housing options.
5. Ensure that the City is able to collect resort city lodging taxes fairly and equitably.
6. Ensure that any resulting ordinance changes are enforceable so that a level playing field is maintained.
7. Ensure any resulting ordinance changes are in accord with Idaho House Bill 216, and House Bill 452.

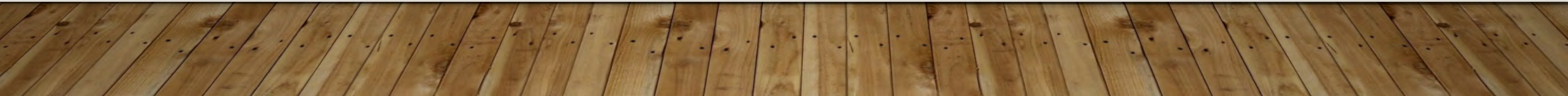


SANDPOINT COMPREHENSIVE PLAN

“Provide Sandpoint **workers with affordable housing** options near jobs, public transportation, and non-motorized transportation options.”

“Sandpoint residents **value their traditional neighborhoods**, including the Downtown and areas such as Sixth Avenue. The community recognizes the need to preserve not just individual historic buildings, but the traditional scale and feeling of the city’s original neighborhoods platted by Farmin.”

“In recent times, Sandpoint’s fortunes have spurred growth and investment in such a way as to compromise affordability. To combat this, residents have become more proactive in a role for themselves and for the City in **promoting and encouraging a wide range of housing types, keeping pace with housing demand, and acting to improve other livability factors** to bridge the distance between costs of living in Sandpoint with what residents earn.”



2013 ORDINANCE

- All STRs treated the same (regardless of owner occupied or not)
- Not permitted within 300' of another (certain exceptions)
- Inspection is required for IBC/fire
- One per owner (non-transferable)
- Local rep. designated & notification to neighbors
- Inactivity clause
- Business license required
- Annual inspection required
- Unclear inactivity clause
- 2 night minimum stay



FOR-SHR

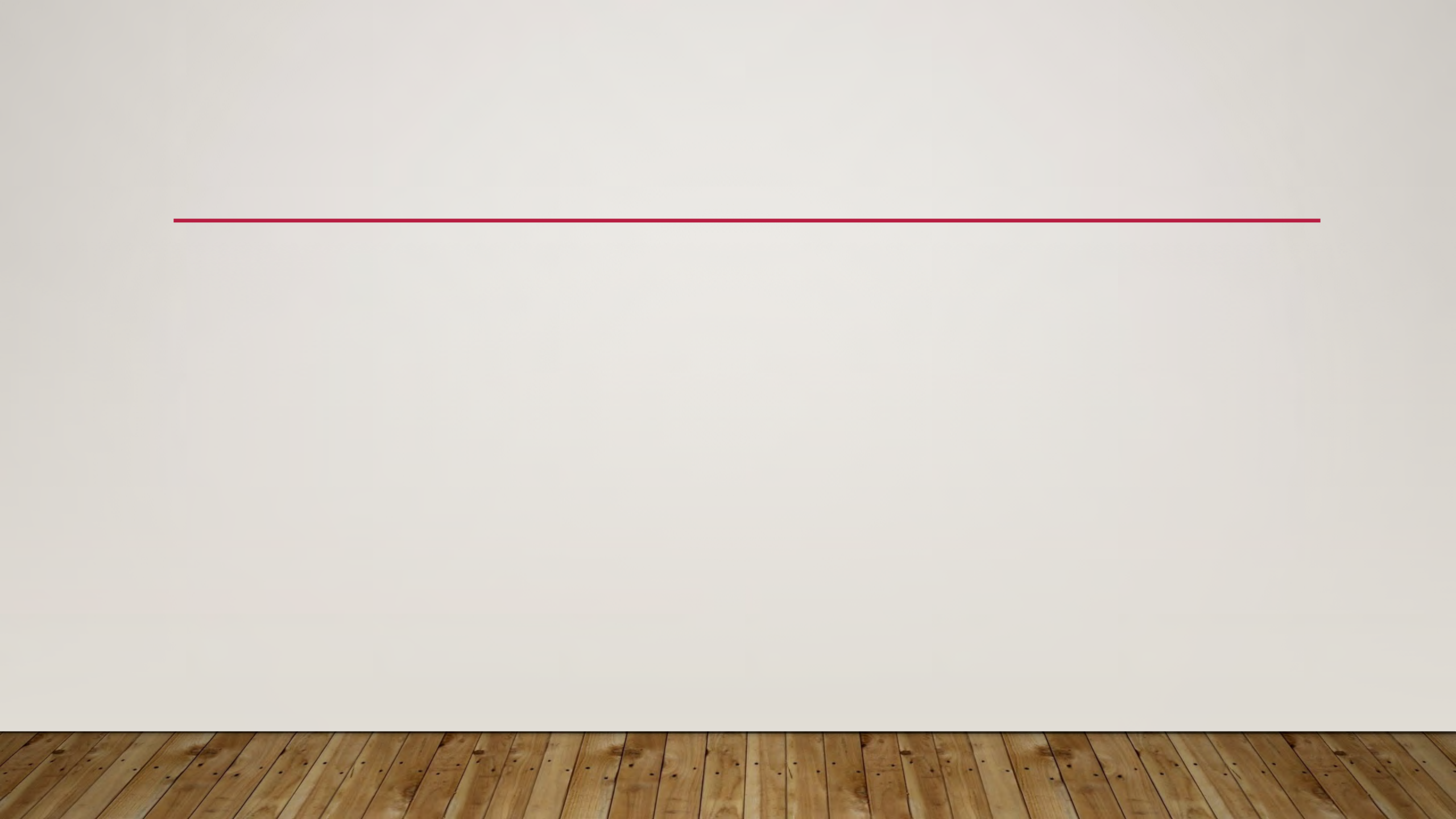
LPO-SHR

REVISED ORDINANCE SUMMARY

- **Elimination of the 300' buffer requirement**
- ~~Total number of *non-owner occupied STRs* in residential zones limited to 35~~
(currently 25 permitted) with exemptions for certain waterfront developments
- **No limitation for *owner occupied STRs***
- **Elimination of the requirement of one owner per vacation rental in the residential zones**
- Consistent licensing throughout all zones, with specific requirements for residential zones
- 2 night minimum in residential zones (no change)
- One STR per parcel in residential zones
- Elimination of Business License Requirement

CHANGES PENDING

- Elimination of certain Building Code Requirements while maintaining requirements for smoke alarms, ~~CO2 alarms, fire extinguishers and emergency egress~~
- Providing for self-inspections for renewals in order to reduce enforcement pressures and staff time
- Beefed up inactivity clause for non-owner occupied STRs in residential zones (12 night min within 1 year)
- Changes to suspension and revocation processes from violations and also adding an infraction section to match existing language for business licenses
- Establishing that advertisement without permit=violation
- Various other cleanups and refinements





Macro Trends in the Regulation of Short Term Rentals



Presented by John Spuhler, CSO of STR Helper

Macro Trends in the Regulation of Short Term Rentals

Registration is the Most Effective Leverage Point.

Whatever the cost, when someone is operating w/o a license it is very easy to prove non-compliance and to shut them down. STR's are a business. Businesses must be licensed. There is really no discussion. Everyone is moving to licensing.

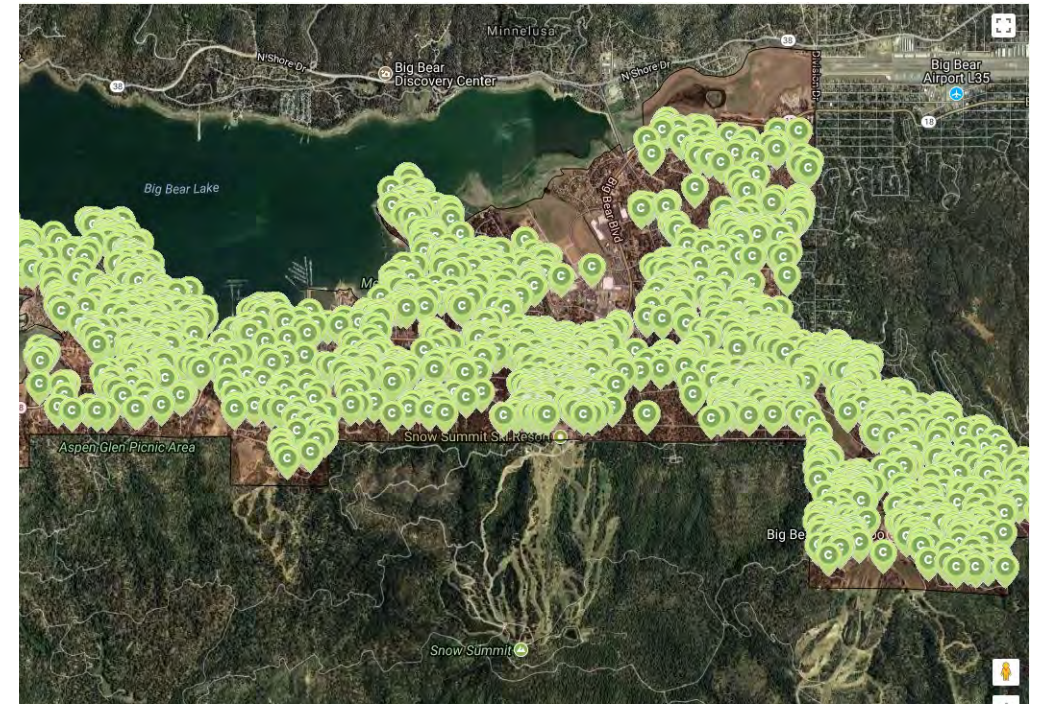
To Use Airbnb Voluntary Collection or Not?

Pros and cons to this. The answer is up to the specifics of your particular circumstances.

- Airbnb market share
- Are you ok with opening an obvious door for people to cheat?
- Do you have a broader tax remittance platform for businesses throughout town?

Bans Simply Don't Work.

We have loads of evidence throughout California in particular. Unless you are a tiny town, bans don't work. See Salt Lake City and Charleston City as two recent examples we have worked with.



Macro Trends in the Regulation of Short Term Rentals

Catch More Flies With Honey Than Vinegar.

Overly aggressive posturing leads to poor relations and in some cases lawsuits. A moderate approach that emphasizes education, communication and moderation ultimately is far more effective.

County/City/DMO Cooperation

- County administering system on behalf of smaller communities
- Tax remittance
- Ex. Charleston County



Ordinance Trends

Multi-permit Types

Designed to favor full time residents who are simply trying to make ends meet in expensive communities

Caps and Zones

- Use zoning laws to your advantage
- Focus on balance
- Ex: Crested Butte, CO

Parking – Trailers

Trash

Bind both put out and put in time

Any place that has bears, feral cats, and raccoons needs to do this

Registration Fees – Pillows vs Flat Fee

- Designed to charge more for very large residences that have a greater community impact
- Ex. Grand County, CO



Implementation

Professional Property Managers are Your Friend.

Make it easy for them, not hard.

- Registration fee discount for professional managers
- Bulk administration and renewal
- “Agency” issue – allow property managers to act on behalf of their customers – example of Vail requiring notarized documents and tons of foreign owners have to go the embassy to get things notarized

Staff Appropriately

Hammer can't build a house by itself.

Ex. Fredericksburg – Our most successful customers have someone dedicated to the administration of the program. This is almost always paid for by reasonable registration fees.



Implementation

Limit Document Uploads.

The greater the number of documents, the greater the abandonment rate

Think Through the “Not Happy” Path as it Relates To Noise/Trash/Parking.

Data is a Powerful Weapon – Use It.



Enforcement

Amnesty Program

Don't be vindictive.

Create an opening to resolve the past by paying a reasonable settlement and agreeing to compliance going forward. Let them know you can now track them and that you want to be reasonable. If they mention George Orwell, hammer them. Ex. Seaside, CA

Avoid Unenforceable Provisions (duhhhh!)

Literally walk through and explain how you will enforce every provision before you enact it



Enforcement

Now I Have a List of Non-compliant Properties.

How do I track them down, particularly with respect to out of state or worse, out of country, residents

Example 1: The mortgage company is paying the taxes through escrow and they don't even have the right mailing info

Example 2: Owner lives out of state and serving him is incredibly expensive/difficult

Make Sure Call Center and Enforcement Have Same Hours.

Synchronization of Property Management Database With Call Center is Critical.

People change property managers all the time. Create a process that both penalizes bad information and makes updates easy.

The composite image illustrates a property management system's enforcement capabilities. At the top right, a 'Current Listing Compliance' dashboard features a gauge chart showing 135 compliant, 12 not compliant, and 2 exempt properties. A 'Print Non-Compliance Letters' button is visible. Below this is a map of a residential area with numerous colored pins (green, yellow, orange, red) indicating property status. At the bottom, a 'Reports & Dashboards' interface shows a list of folders and reports, including 'Non-Compliant Properties' and 'Opportunity Amount by Stage (Sample)'. A small inset image shows a property listing page with a photo and details.

**A FREE REPORT ON THE VACATION RENTALS IN YOUR
COMMUNITY IS AVAILABLE BY CONTACTING ME**

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