

# Navigating Short-Term Rental Regulations in Your Community

Wednesday, August 30<sup>th</sup>, 2022



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**Duration: 2:00 – 3:00 pm EST**

## **Technical Details**

- Please submit questions through the chat box.
- Be sure to mute yourselves.
- If your internet connection is unstable, try turning your video off to improve sound quality.





**Lauren Lowery**

*Director*

*Housing and Community Development*

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**Moderator**

- **Welcome & Introductions**
- **Short-Term Rental Regulations: A Guide for Local Governments**
- **City Spotlights: Denver, CO & San Diego, CA**
- **Q&A**
- **Close Out**



**Tina Lee**

*Senior Specialist*

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## **Short-Term Rental Regulations: A Guide for Local Government**

# What was the impetus for this research?



## Short-Term Rental Ordinance Dashboard

### Why should I use this dashboard?

The rapid growth of short-term rentals in cities, towns and villages across the U.S. has caused much controversy. From contentious city hall meetings where residents advocate for more stringent or more relaxed regulations to lengthy and expensive legal battles between cities and short-term rental platforms, cities can get caught in the crosshairs of a complicated policy issue. From concerns around how short-term rentals impact housing availability and affordability to health and safety issues, short-term rentals present no shortage of challenges for local leaders. However, there are plenty of best practices to learn from cities that are well on their way to navigating this discussion.

One step cities take when establishing or revising their short-term rental ordinance is to review peer cities. This dashboard aims to help fill that gap, making it easier for cities to identify peer cities and evaluate key components of their ordinances.

### Methodology

The National League of Cities analyzed sixty short-term rental ordinances from cities across the country against thirty indicators, identified by commonalities across ordinances. At least one city, town or village was selected for each state, with two cities, towns or villages selected for the top ten states by population (California, Texas, Florida, New York, Pennsylvania, Illinois, Ohio, Georgia, North Carolina and Michigan) to ensure a diversity of local context was represented in the analysis.

Please note that numbers may not add up to 60 in every indicator analyzed. Some ordinances do not address all indicators. In such cases, those cities are excluded from the analysis.

Please email [housing@nlc.org](mailto:housing@nlc.org) if you have any questions, comments, concerns or feedback.

### How do I use this dashboard?

#### Step 1: Identify Peer Cities

Click the purple button below which will take you to **Filter by Attributes** to select your peer cities. You can choose to use as few or as many filters as you would like before moving to the next step.

#### Step 2: Explore the Dashboard

Start exploring the dashboard! Move between **Definition**, **Regulation** and **Enforcement** to explore elements of your peer cities' short-term rental ordinances.

#### Step 3: Download the Ordinances

Navigate to **Ordinances** to download short-term rental ordinances.

#### Step 4: Read the Accompanying Action Guide

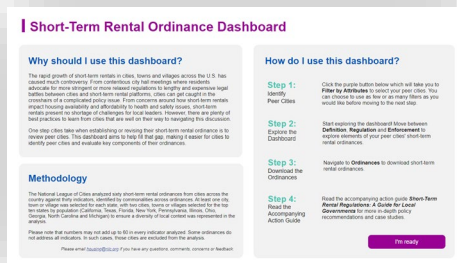
Read the accompanying action guide **Short-Term Rental Regulations: A Guide for Local Governments** for more in-depth policy recommendations and case studies.

**I'm ready**





The **guide** aims to equip local leaders with appropriate information and tools to adopt or amend ordinances that serve their community best.



The **dashboard** aims to make it easier for cities to identify peer cities and evaluate key components of their short-term rental ordinances.

NLC reviewed **60 short-term rental ordinances** from across the country, and talked to **city staff, elected officials, researchers and industry representatives.**



- Prevent the loss of rental housing
- Slow or prevent the overgrowth of STRs
- Combat displacement
- Preserve the residential quality of neighborhoods
- Balance the needs and rights of property owners and neighbors
- Ensure health and safety of guests and residents
- Capture tax revenue
- Support tourism in a balanced way
- Allow for economic gain for residents

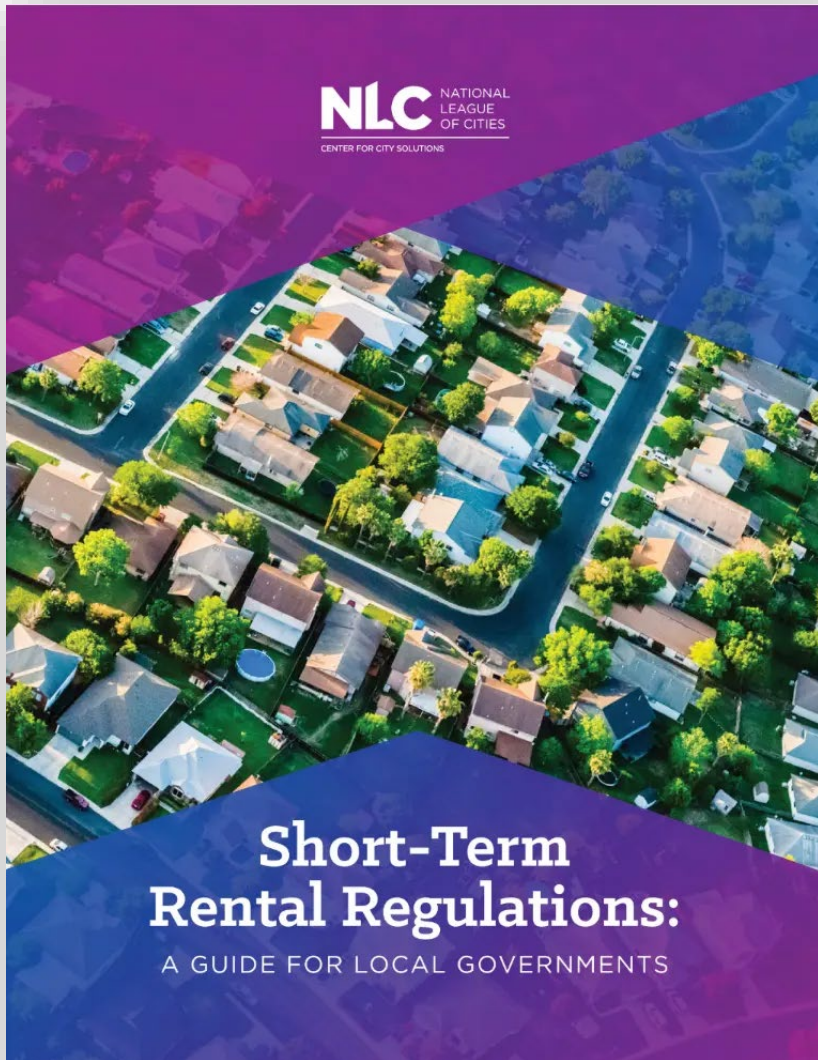


## Cambridge, MA

"...to make the operation of short-term rentals legal for Cambridge residents, protect the safety of renters and residents, ensure that the primary use remains residential, and ensure that short-term rentals will not be a detriment to the character and livability of the surrounding residential neighborhood"

- Adopt a **permit requirement** that requires each listing to include a local contact who may be reached at any time. Use this emergency contact if a complaint is filed. Stipulate that if the registered contact is not responsive, the host's permit risks being terminated.
- Institute a **permanent residency requirement**. City leaders report that most complaints come from non-owner-occupied units. Hosts may be more invested in their property if they too call it home.
- Require that short-term rental hosts provide their guests with a "**Good Neighbor Guide**" that summarizes all ordinances guests are required to comply with during their stay (e.g., noise, trash, parking)

- **Require an inspection**, or, if the city cannot carry out inspections, stipulate that the city has the right to inspect a property should sufficient suspicion arise that the property is not up to code.
- **Institute a process for revoking permits** from properties in violation, such as a “three strikes” rule. If three verified complaints are filed within a certain time, the city can revoke a host’s permit.



- Useful for local leaders looking for **information to adopt or amend ordinances** that serve their community best
- Takes local leaders through **four buckets of recommendations**:
  1. Understand the landscape
  2. Develop a pass regulations
  3. Enforcement
  4. Revisit and adapt

## Short-Term Rental Ordinance Dashboard

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Please email [bauping@nlc.org](mailto:bauping@nlc.org) if you have any questions, comments, concerns or feedback.

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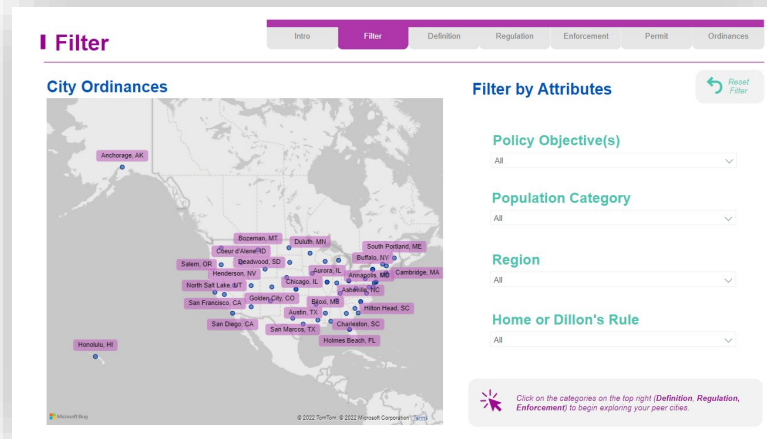
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I'm ready

- Useful for local leaders looking to **understand what other cities' regulations are** and can help cities find “peer cities”

- Takes local leaders through **four steps**:

1. Identify peer cities
2. Explore the dashboard (definition, regulation, enforcement, and permit)
3. Download the ordinance(s)
4. Read the accompanying action guide





**DENVER**  
THE MILE HIGH CITY



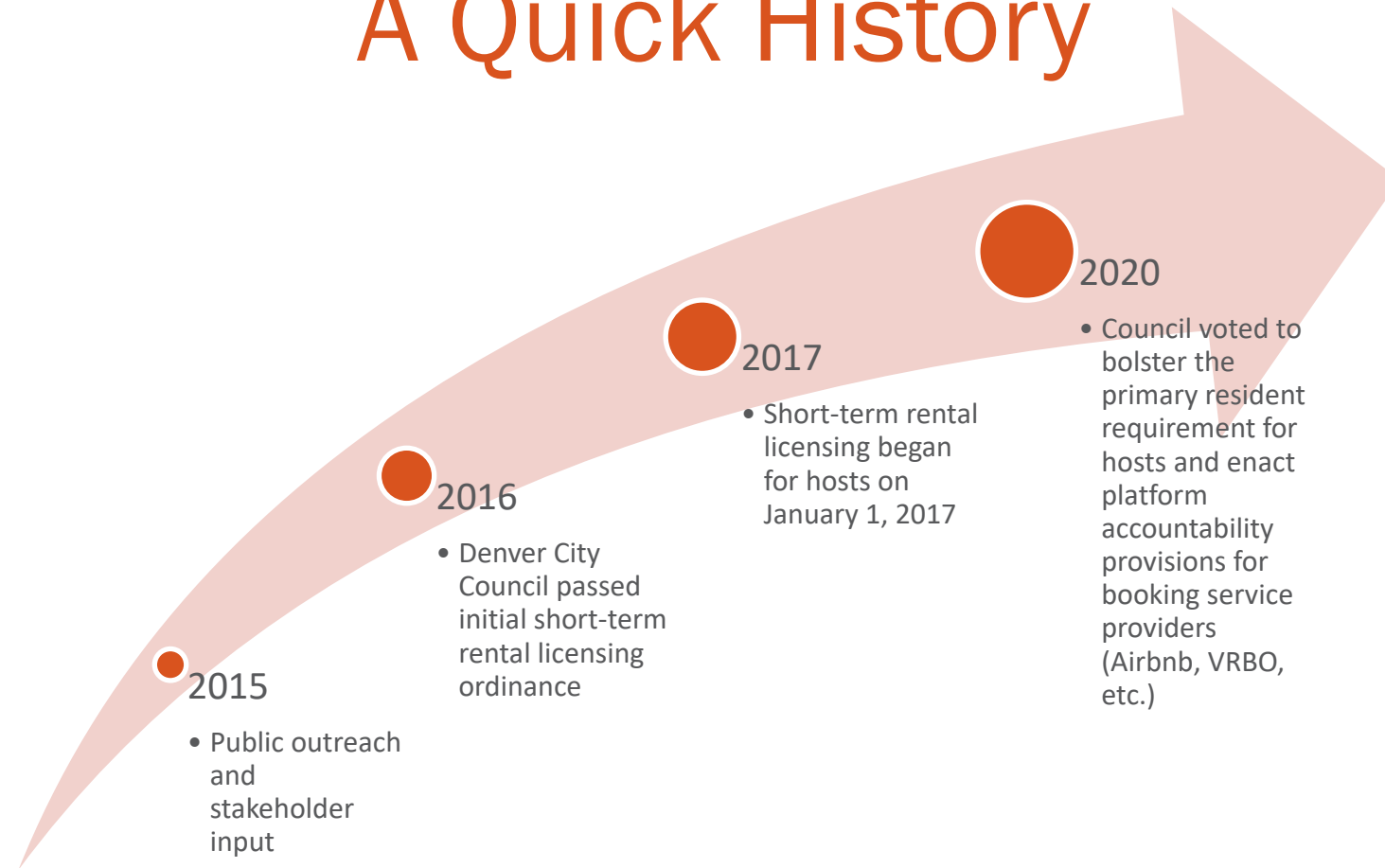


# Short-Term Rentals in Denver

Denver Department of Excise and Licenses

August 30, 2022

# Short-Term Rentals in Denver: A Quick History



# Short-Term Rentals: Opportunities and Risks

## Opportunities

- STRs can create additional income opportunities for Denver residents
- STRs can foster variety in lodging options for Denver visitors
- STRs can drive community economic development when hosts recommend local businesses and employ service providers

## Risks

- Use of properties for STRs can put stress on the housing stock and affect [affordability](#)
- STRs used as “mini hotels” can lead to commercial encroachment in residential neighborhoods and accelerate gentrification and/or displacement of permanent residents
- Disrespectful guests can lead to health, safety, welfare, or quality of life concerns

# The Basics

All short-term rentals must be **licensed**.

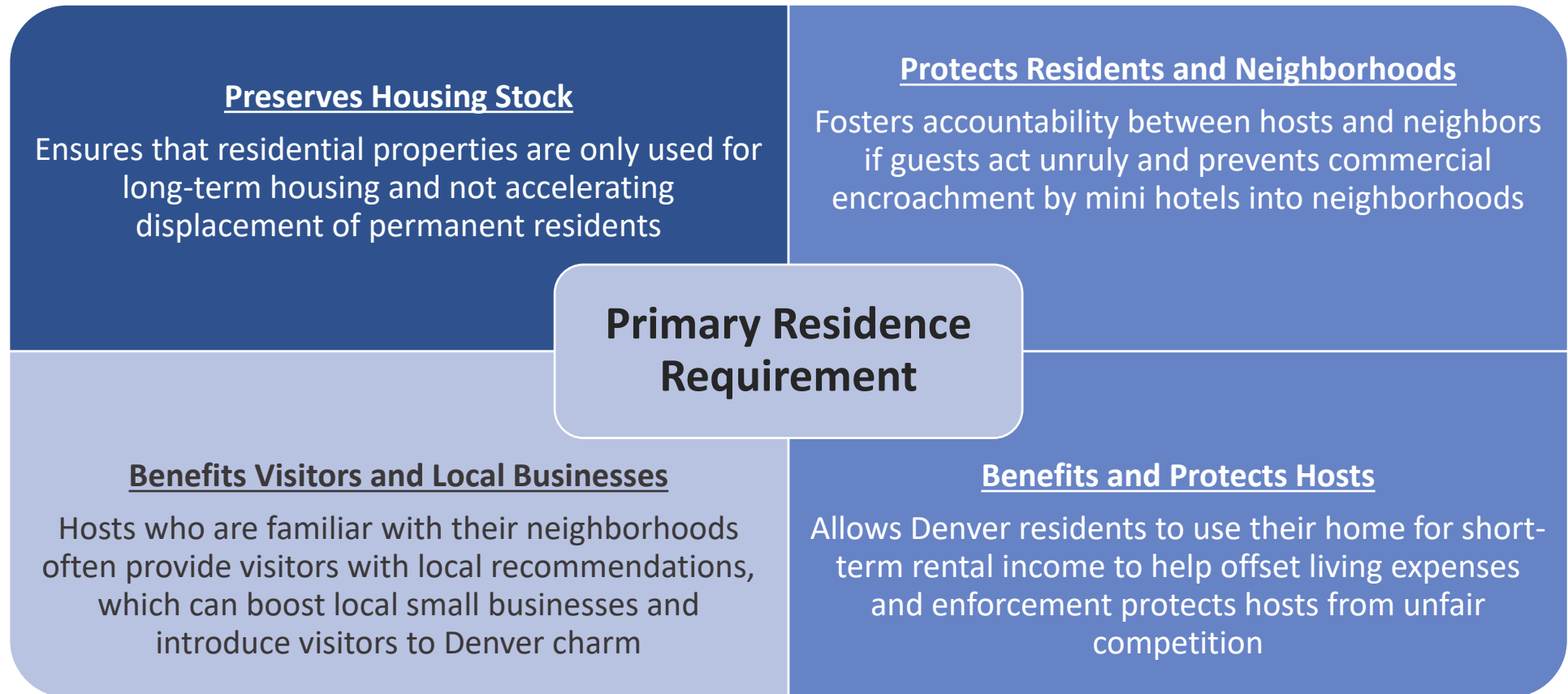
Any short-term rental must be the host's **primary residence**.

All advertisements for short-term rentals must **display** the host's **business license number**.

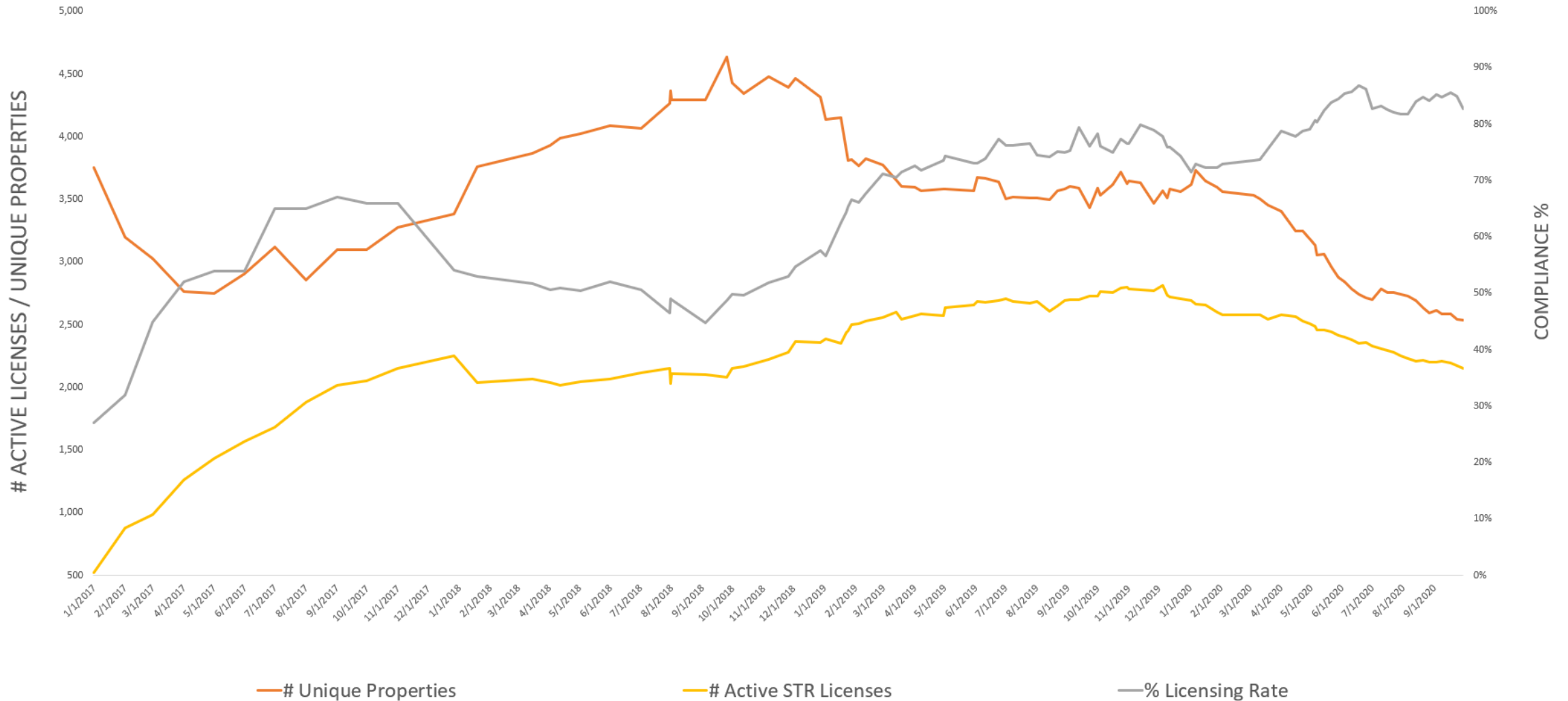
All short-term rental hosts must abide by rules related to **safety, taxes, zoning, and insurance**.

Failure to follow the rules can result in **finest or other penalties, including license revocation**.

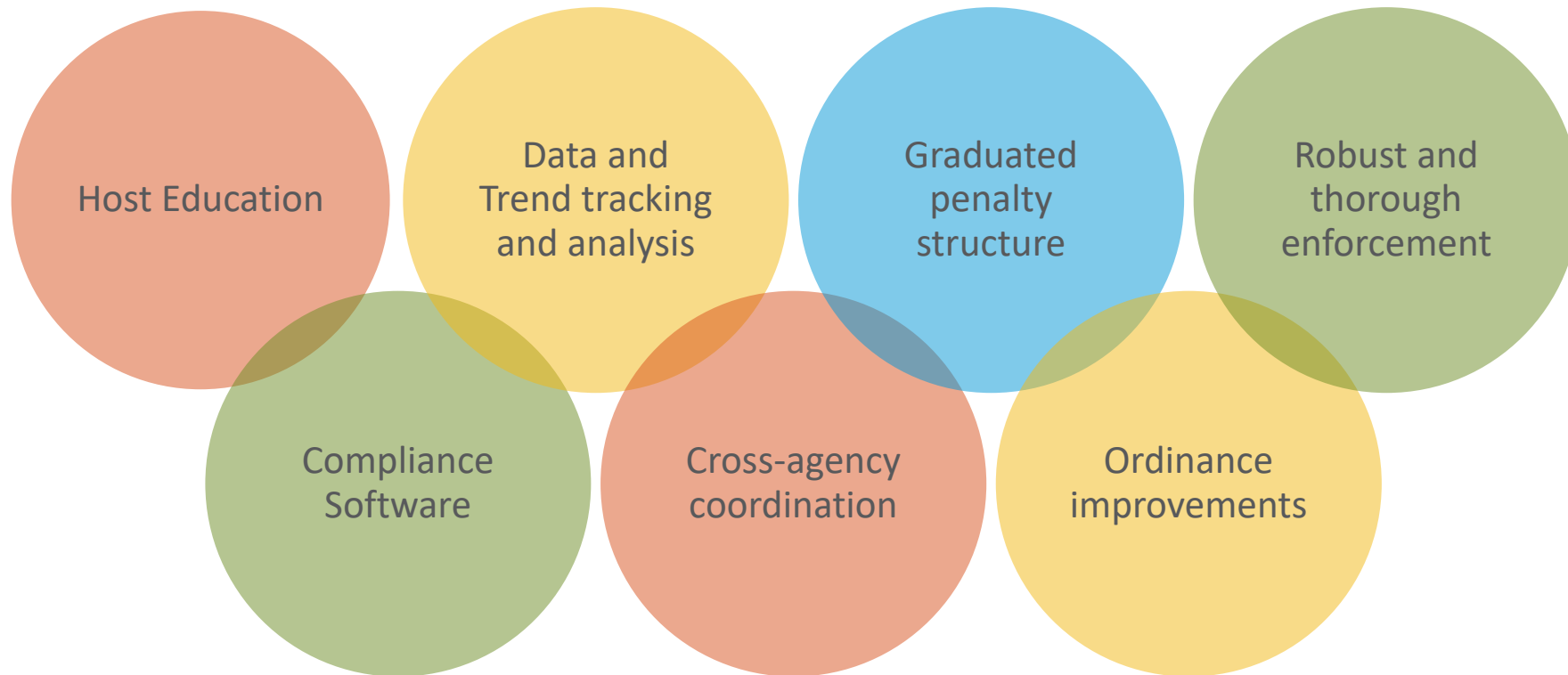
# The Primary Residence Requirement



# Historic Licensure Rate



# Keys to Compliance





# Primary Residence Factors

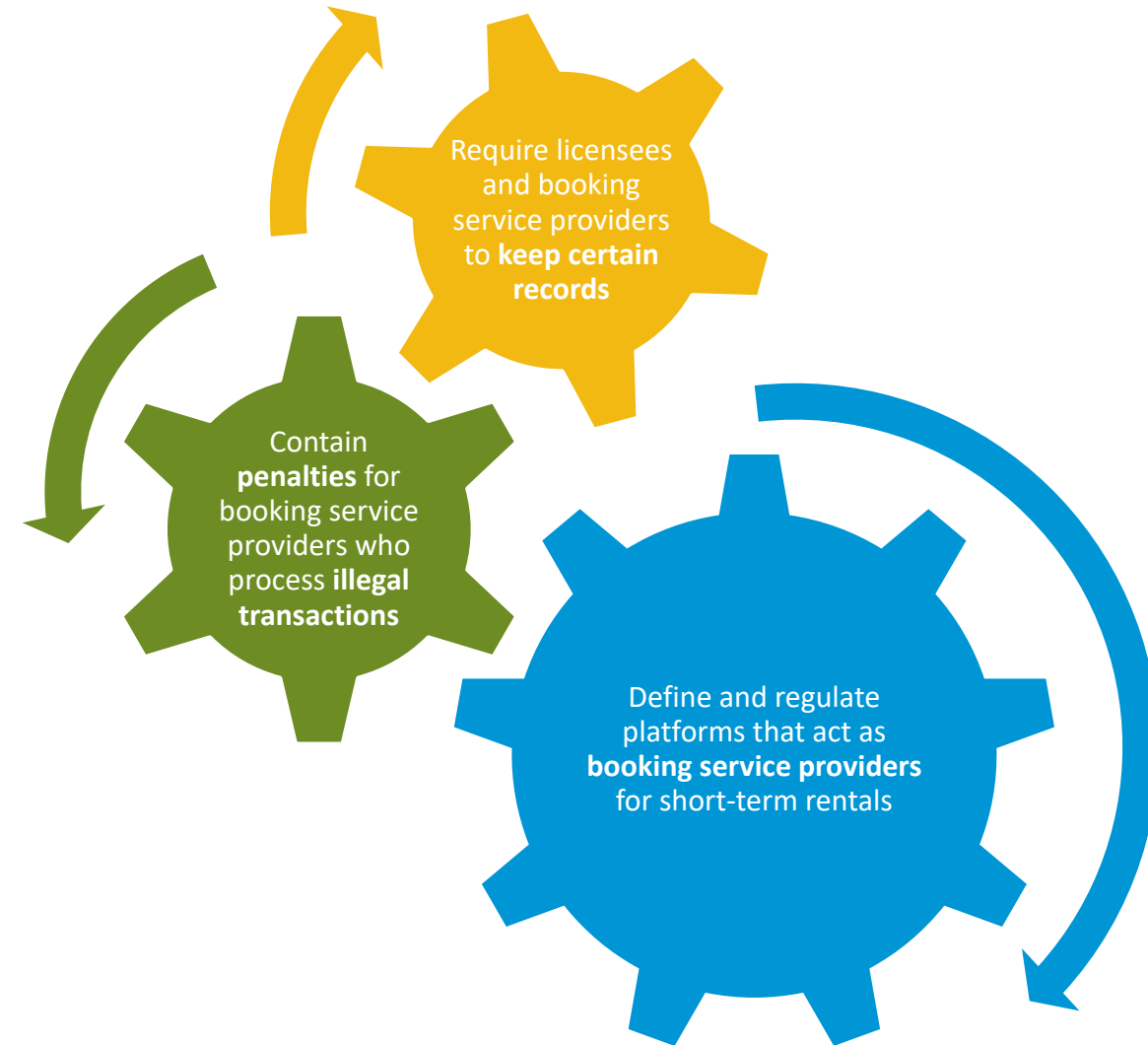
The following factors **may** be considered in determining primary residence for purposes of the short-term rental license:

- Whether the applicant claims any other residence for domestic, legal, billing, voting, and/or licensing purposes;
- Whether and how often the applicant returns to the short-term rental or other places of habitation;
- Whether the address listed on an applicant's legal documents or tax assessment records is different than the address of the short-term rental;
- Whether an applicant's business pursuits, employment, income sources, residence for income or other tax purposes, leaseholds, situs of personal and real property, and motor vehicle registration indicate that the short-term rental is the applicant's primary residence;
- Whether the amount of time the short-term rental has been, or will be, rented within the calendar year indicates the short-term rental is or is not the applicant's primary residence;
- Whether the applicant is actively deployed in the United States military; or
- Whether any other relevant information discovered by the director or submitted by the applicant indicates that the short-term rental is or is not the applicant's primary residence

# Platform Accountability Provisions

## Prevention Options for Booking Service Providers:

- Requiring hosts to enter their license number in a mandatory field before allowing the host to post an advertisement
- Verifying the validity of a host's valid license before allowing the host to post an advertisement using any number of methods
- Deactivating or removing listings that do not have a license number listed or with an invalid license number displayed



# Stakeholder Outreach: Denver's STRAC

- STR Hosts
- STR Guests
- STR Property Managers
- Neighbors and RNO representatives
- City Council Representation
- Visit Denver
- Denver Metro Association of Realtors
- Platform Representation (Airbnb)
- Colorado Hotel & Lodging Association
- Members of the Public

STRAC meets quarterly to provide EXL with feedback and guidance on short-term rental licensing administration, enforcement, and policy

# Denver Short-Term Rental Resources

Check out our [Short-Term Rental Laws, Rules, and Regulations page](#)

[Sign up](#) for our short-term rental bulletin.

Denver Revised Municipal Code:  
[Short-Term Rental Ordinance](#)

Denver Department of Excise and Licenses:  
[Short-Term Rental Rules](#)

Denver Department of Finance:  
[Short-Term Rental Taxation Information](#)

Denver Zoning Code:  
[Short-Term Rental Zoning Provisions](#)



# Questions?

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Erica Rogers, Policy Director  
[Erica.Rogers@denvergov.org](mailto:Erica.Rogers@denvergov.org)



# **AN AMENDMENT TO THE CITY'S MUNICIPAL CODE AND LOCAL COASTAL PROGRAM TO IMPOSE A LICENSE REQUIREMENT AND OPERATING REGULATIONS FOR SHORT TERM RESIDENTIAL OCCUPANCY**

**Councilmember Jennifer Campbell, District 2**  
**Venus Molina, Chief of Staff**





## Background

- In July 2020, Expedia Group, parent company to Short Term Rental Occupancy (STRO) brands and HomeAway, along with Unite Here Local 30, representing thousands of local hospitality workers, outlined a set of comprehensive STRO regulations in the form of a Memorandum of Understanding (MOU).
- The MOU represents a compromise between two groups, which have historically approached STRO from opposite ends of the spectrum.
- The ordinance, consistent with the MOU, proposes to establish regulations within Chapter 5 of the San Diego Municipal Code to **clarify and define Short Term Rental Occupancy (STRO) as the occupancy of a dwelling unit or part thereof for less than one month.**

## Background

- The regulations would require a license to operate a STRO unit, establish limits on the number of licenses a host may obtain, create reasonable caps on the total number of whole home STRO units, and create a licensing process in order to track, manage and enforce all aspects of STRO including home sharing
- On October 8, 2020 and December 3, 2020, the Planning Commission was presented with the new proposal from Councilmember Jennifer Campbell to regulate STROs
- On December 3, 2020 the Planning Commission voted 7-0-0, with 6 recommendations for the City Council to approve

## Regulations Overview

- A STRO host shall be defined as a natural person who has the legal right to occupy the dwelling unit and to allow STRO of the dwelling unit
- The regulations being proposed today will allow the City to differentiate between part-time STRO use, home sharing, and whole home
- A host may obtain a maximum of one license at a time in one of the following four STRO license tiers:



| <b>Tier 1</b><br><b><u>Part-Time</u></b>   | <b>Tier 2</b><br><b><u>Home sharing</u></b>   | <b>Tier 3</b><br><b><u>Whole home</u></b>  | <b>Tier 4</b><br><b><u>Mission Beach</u></b><br><b><u>Whole Home</u></b>  |
|--|---|--|---|
| <ul style="list-style-type: none"><li>● Rented for an aggregate of <b>20-days or less per year</b></li><li>● The owner or permanent resident <b>does not</b> need to reside onsite during the STRO</li></ul> | <ul style="list-style-type: none"><li>● <b>Renting a room or rooms in the home for more than 20 days</b> per year so long as the owner or <b>permanent resident resides onsite</b></li><li>● The owner or permanent resident <b>may be</b> absent from the permanent residence during the STRO for up to 90 days per calendar year</li><li>● Home sharing includes duplex properties and eligible accessory dwelling units and granny flats <b>when the host resides onsite</b></li></ul> | <ul style="list-style-type: none"><li>● <b>Rentals for more than 20-days per year</b> where the owner or permanent <b>resident does not reside onsite</b></li><li>● The amount of whole home STRO licenses <b>will not exceed 1% of San Diego's total housing units</b> outside the Mission Beach Community Planning Area</li><li>● This amount is equivalent to 5,400 licenses today</li><li>● <b>Required two-night minimum stay for guests.</b></li></ul> | <ul style="list-style-type: none"><li>● Licenses will be up to <b>30%</b> of the MB community's total housing units</li><li>● The number of Tier Four licenses would be 1,081 today</li><li>● Whole home STRO units in Mission Beach <b>shall not be</b> counted in the citywide whole home cap.</li><li>● <b>Two-night minimum stay for guests</b></li></ul> |

## Regulations Overview (cont.)

- All hosts are required to collect and remit all applicable taxes and fees to the City Treasurer, unless collected and remitted on the host's behalf by a STRO platform.
- The intent of the proposed STRO regulations are to help preserve the availability of housing by reducing the number of dwelling units currently used for STRO by more than 70%.
- Hosts must also comply with Good Neighbor policies such as posting local contact information on the property for neighbors to connect with the host or other responsible party.

## Good Neighbor Policy

- Designed to make guests familiar with City procedures, laws and other rules of conduct that promote neighborhood cohesion and livability.
- Includes information regarding the maximum number of occupants and the City noise limits.
- Policy must remind guests that violation of the noise ordinance can result in individual administrative citations to both the guest and the host, of up to \$1,000.
- Policy will inform guests that if the police are called to address disturbances, health, safety, or general welfare issues, the STRO guests may be responsible for repayment to the City for the cost of the police response.

## Program Overview

- STRO licenses must be renewed once every two years.
- The City will maintain a registry of all STRO licenses or registration locations and will provide the information to the SDPD.
- The City will continue to monitor websites to ensure that STROs operators are paying TOT.
- Biannual license or renewal fees shall be assessed at varying rates based on estimated services requirements and costs to the City.
- Council will be asked to adopt fees before January 1, 2022.
- Full compliance with every section in the ordinance will be required by hosts and STRO platforms by January 1, 2022.
- Once the ordinance is approved by Council, City staff will create administrative regulations that will detail how licenses will be issued.

## Enforcement Overview

- The STRO regulations provide the City the mechanism to cite, suspend, or revoke the license of hosts not following the Municipal Code including the City's STRO regulations.
- A local contact must be available to respond to neighborhood disturbances within one hour
- All hosts must post a notice in a visible location (from the sidewalk or public right of way) containing contact information for a designated local contact who shall be responsible for actively discouraging and preventing any nuisance activity at the premises, pursuant to Municipal Code Chapter 5.
- The enforcement strategy is based on an inter-departmental team-based approach to include Code Enforcement staff, City Treasurer, and San Diego Police Department (SDPD) officers.



## Public Safety Awareness

- The City shall provide information to STRO hosts related to identifying and reporting human trafficking.
- STRO hosts shall be required to educate all workers who may interact with guests so that they can identify and report human trafficking.
- STRO hosts must post, conspicuously in the home, guidance for reporting human trafficking and complete an online human trafficking awareness program before a listing can be activated.
- Any host found to be in violation of human trafficking laws shall have their STRO license permanently revoked.

# Conclusion

- Recommend approval of the proposed ordinance



**Q&A**



**Lauren Lowey**

*Director*

*Housing & Community Development*

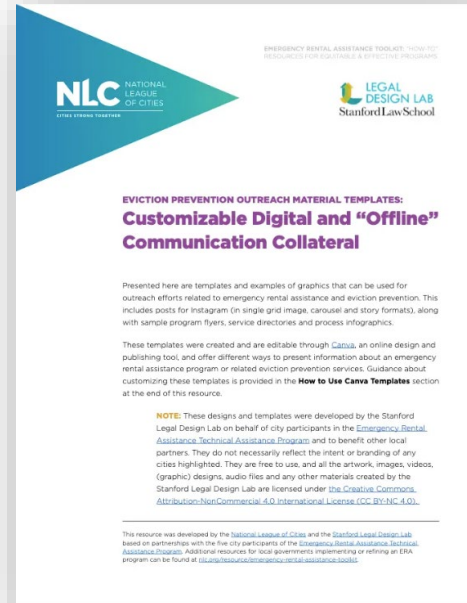
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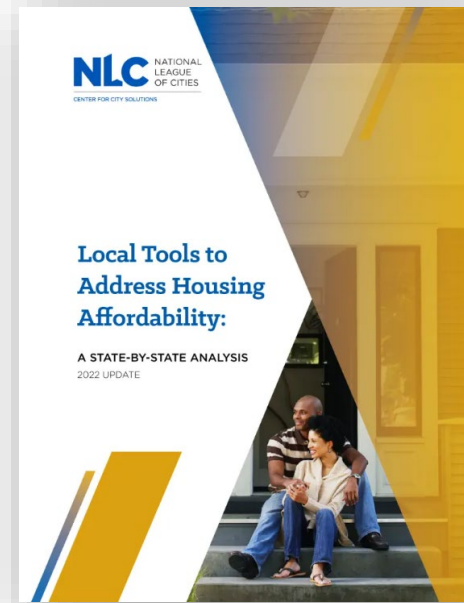
**Close Out**



[Short-Term Rentals:  
A Guide for Local  
Governments](#)



[Emergency Rental  
Assistance Toolkit:  
"How to" Resources](#)



[Local Tools to  
Address Housing  
Affordability](#)

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**Housing & Community Development**

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