



How 20 Communities Are Managing Short-term Rentals (STR's)
Research Conducted by Freshtracks Communications
For the STR Tiger Team
Draft as of March 30, 2018

Purpose of Research

Mountain Housing Council, a regional coalition working to accelerate solutions to local achievable housing, has assembled a multi-stakeholder work group comprised of different interests and perspectives to tackle the topic of short-term rentals from a regional perspective.

The Short-Term Rental Tiger Team will be doing their work by looking at what other communities are doing to manage short-term rentals and conduct market analysis to understand the STR market in the Truckee-Tahoe region.

Research Approach

In a review of 20 counties and cities ranging from low density Mono County to densely populated cities such as San Francisco and Denver, we found a variety of regulations that have been adopted to regulate and limit Short-Term Rentals (STRs) as well as a few strategies to incentivize turning STRs into long-term rentals. Following is an initial collection of research divided into three categories: 1) Regulatory Approach, 2) Incentive Approach, 3) Local Approaches Currently in Place.

This document will be updated throughout the STR Work Team process as new models come forward.

I. Regulatory Approach

All of the counties and cities reviewed allow STRs to some extent. However, many of the jurisdictions limit the zones where STRs are allowed as well as the type of housing that can be short-term rented. Some examples include:

- City of Mammoth: banned STRs in multiple-family development zones.
- Santa Barbara County: only allows STRs in Commercial & Coastal Zone Historic Overlay Zones.
- City of Santa Barbara: STRs are only allowed in zones that allow hotels.
- Jackson Hole: STRs are banned in residential neighborhoods and are only allowed in two zones (Lodging Overlay and Snow King Resort Districts).
- Mono County: STRs are only allowed in Transient Overlay District. A Transient Overlay District is overlaid on any residential neighborhood, parcel, or group of parcels as adopted by the local jurisdictions' General Plan.



- City of South Lake Tahoe: multi-family dwellings are prohibited from being short-term rented.
- Telluride: STRs are allowed in its multiuse zones without restrictions, but limited in residential zones by the number of nights they can be rented/year.

The majority of cities and counties in our review require a permit or license to operate an STR within their jurisdiction. Permit fees ranged from annual fees of \$75/year or one-time fees of \$750. In some jurisdictions, such as City of San Francisco, City of Aspen, and Crested Butte, business registration or licenses are required. Some jurisdictions, like the City of Aspen, also require business licenses for any person who owns or represents one or more STR. And, the City of Seattle limits hosts to two dwelling units each and requires them to obtain special licenses to operate STRs.

For some jurisdictions, their permit application process requires notification of neighbors within a 300 ft. radius of STR (City of Durango, City of South Lake Tahoe, and Jackson Hole) or notifications to HOAs if the STR is located in an HOA (City of Aspen and Jackson Hole). A few jurisdictions require a buffer between STRs to maintain year-round community in residential zones. These include Pacific Grove (55 ft. buffer), Bend (250 ft. density buffer), and Durango (1/per street segment which is approximately 2 per block). In Mono County, signage is also required to identify STRs.

In addition to permitting and licensing, many jurisdictions enforce compliance with their regulations. The City of South Lake Tahoe, Mono County, City of Durango, and Park City all require inspections. The City of San Francisco issues violations of at least \$484/day and in the City of South Lake Tahoe, permits are revoked after three citations within 24 months. Other cities that revoke permits and issue fines include City of Durango, Crested Butte, and Jackson Hole.

In some jurisdictions, only permanent residents (varying definitions) are allowed to turn their homes into STRs. Some examples include:

- City of San Francisco and City of Denver: only permanent residents of units can short-term rent their home.
- Crested Butte: STRs are only allowed if the rental also serves as the primary residence of the property owner.
- Miami: responsible party must reside for more than six months per calendar year in the property being offered as a vacation rental in certain designated zones.



Of the jurisdictions reviewed, there were a variety of approaches related to home sharing and home stays. Home sharing is when a room a portion of a home is rented out, but not the entire home and the host is often on the premises at the same time as the short-term renter. Examples include:

- Pacific Grove: separate permit required for renting room in home.
- Santa Barbara County: allowed in residential & agricultural zoned areas with a permit and owner or long-term tenant must inhabit a legal dwelling on the same lot as the short-term renter. Renting of entire home as an STR is not allowed in residential and agricultural zones.
- Mono County: STRs only allowed if the property owner occupies the premises and is present during vacation rentals.
- City of Aspen: does not allow rental of individual rooms within a residential dwelling unit.

Some jurisdictions are employing caps to limit the number of STRs. Examples include South Lake Tahoe which caps STRs at 1,400, Pacific Grove's limit is 250, City of Durango limits STRs in two downtown neighborhoods at 3% and maintains a waiting list (currently only 85 legal rentals), and Crested Butte only issues Unlimited Vacation Rental Licenses to 30% of the free market residential units located in permitted zones. Other caps include the number of nights per year a unit can be short-term rented. Examples include:

- City of San Francisco: only allows 90 unhosted nights - when the resident is not present during the guests' stay - per year.
- Crested Butte: property owner can rent residence no more than 60 nights per year.
- Telluride: homeowners in residential zones may only rent out their property for a total period of 29 days or fewer in a calendar year and for no more than three times.

Other jurisdictions have set limits such as maximum occupancy based on the number of available parking spots and bedrooms. Examples include:

- Crested Butte: maximum allowed occupancy is 10 per unit.
- City of Miami: allows 2 persons per bedroom, plus 2 additional persons per property, up to a maximum of 12 persons, excluding children under 3 years of age.
- City of Durango: mandates off street parking.
- Park City: requires at least one parking space per unit up to the first six bedrooms and an additional space is required for every two bedrooms utilized by the STR.



II. Incentive Approach

Rather than regulating STRs, a few Colorado communities have started programs to incentivize homeowners to turn their STR into a long-term rental. Summit County's Housing Works Initiative offers a master lease pilot program that includes free property management, vetting of renters (credit + background check), and requirement that renters take a "good renter course" and consent to monthly inspections by the Housing Authority. Another example is Steamboat Ski Resort, which is providing cash bonuses to landlords who rent to employees.

III. Current Approaches in the Region

The Town of Truckee, Nevada County, and Placer County require property registration for operating STRs and quarterly payments of Transient Occupancy Tax (TOT) of 10%. The Town of Truckee requires an additional 2% Truckee Tourism Business Improvement District (TTBID) Assessment bringing the total tax in Truckee to 12%. Both the Town of Truckee and Placer County have hired Host Compliance to assist with understanding the scope of the STR market, property registration, and/or compliance. Airbnb collects and remits to Nevada County the 10% TOT tax for all those advertising and renting through Airbnb.