ASSEMBLY MEMBER SULTE

SHORT TERM RENTALS

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**SHORT TERM RENTAL DATA**

**Numbers of short-term rental listings in surveyed Alaska areas**

![Graph showing numbers of short-term rental listings in surveyed Alaska areas]

**Short-term rental listings and total housing units by area**

<table>
<thead>
<tr>
<th>Area</th>
<th>Q2 2022 short-term listings</th>
<th>Housing units, total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Anchorage, Municipality</td>
<td>2,323</td>
<td>118,293</td>
</tr>
<tr>
<td>Kenai Peninsula</td>
<td>2,149</td>
<td>31,330</td>
</tr>
<tr>
<td>Matanuska-Susitna Borough</td>
<td>903</td>
<td>42,018</td>
</tr>
<tr>
<td>Fairbanks North Star Borough</td>
<td>717</td>
<td>44,270</td>
</tr>
<tr>
<td>Juneau, City and Borough</td>
<td>379</td>
<td>13,792</td>
</tr>
<tr>
<td>Sitka, City and Borough</td>
<td>151</td>
<td>4,229</td>
</tr>
<tr>
<td>Kodiak Island Borough</td>
<td>140</td>
<td>5,450</td>
</tr>
<tr>
<td>Ketchikan Gateway Borough</td>
<td>127</td>
<td>6,427</td>
</tr>
<tr>
<td>Chugach Census Area</td>
<td>72</td>
<td>3,287</td>
</tr>
<tr>
<td>Wrangell-Petersburg</td>
<td>37</td>
<td>3,251</td>
</tr>
</tbody>
</table>

**Sources:**
- AirDNA for short-term listings
- U.S. Census Bureau, American Community Survey 2016 to 2020 for housing units

**Source:** Alaska Economic Trends September 2022
THE PROBLEM?

SHORT TERM RENTALS (STR)
Investors purchase multiple homes as STR investments, which pulls housing inventory and props up home prices.

DARK HOMES
Second homes left mostly empty.

ACCESSIBLE DWELLING UNITS (ADU)
New investment opportunities seen for potential as STR, not housing.

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STRS CREATING AN “ARTIFICIAL” DEMAND?
GOALS OF THE ORDINANCE

PROTECT PUBLIC HEALTH & SAFETY
Create code that protects public health and the safety of occupants.

SAFEGUARD PROPERTY & NEIGHBORHOOD VALUE
Ensure that the use, value and qualities of the neighborhood surrounding the proposed location will not be adversely affected.

RESPECT PROPERTY RIGHTS
Find solutions that do not impose on rights of property owners.

COLLECT ACCURATE DATA
KEY COMPONENTS

IMPLEMENT A STR PERMIT
INCLUDE A MODEST PERMIT FEE
ENFORCE PUBLIC SAFETY REQUIREMENTS
GRANDFATHER EXISTING STRS
GRANDFATHER STRS UNDER CONSTRUCTION

*ESTABLISH CAPS AND LIMITATIONS (?)*
GRANDFATHER CLAUSE

EXISTING STRS

You can do what you are doing till sold or no longer wish to STR(?)

STRS UNDER CONSTRUCTION

Allow those who are building as an investment decision to finish the work.
SAFETY REQUIREMENTS

OWNER SAFETY INSPECTION
INSURANCE REQUIREMENTS MET
STR OWNER STATEMENT
STR PERMIT REVIEW CRITERIA
RIGHT OF INSPECTION
WARRANT INSPECTIONS
RESPONSIBLE MANAGER
ADEHERENCE TO MUNICIPAL CODE
RESPONSIBLE MANAGER CLAUSE

TIME RESTRICTIONS
No more than one hour away.

RESPONSIBILITIES
If can be handled by phone or other means, that is acceptable, however does not negate the requirement to be one hour away.
PERMITTING

12 MONTH TERM

• Renewal not unreasonably withheld
• Rolling twelve months
• Standard on-line application
• Safety Self-inspection certification
• Room Tax permit ID
• Proof of insurance
• Owner statement that STR Permit review criteria have been met

NOMINAL FEE

The nudge: Exemptions may include long term rental, owner occ, and military deployment
TO TRANSFER OR NOT TO TRANSFER?
PROHIBIT TRANSFER WITH SALE?

**PROS**
Goal is to put houses back on the market but not impact homeowner.

**CONS**
Goal is to keep current ownership and for some ownership is only possible via STR.
## CONTROVERSIAL ITEMS

<table>
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<tr>
<th>Cap STRs to 3% of housing market</th>
<th>Limit Ownership to &lt;3 units</th>
<th>Zoning or Overlays</th>
<th>No more than three on a property</th>
<th>Distance Requirements</th>
</tr>
</thead>
</table>
| • If current number of STRs is >3% they shall be grandfathered.  
• Applicants above the cap shall be placed on a waitlist.  
• Will adjust upward with new housing  
• Exemptions not counted. | • Intent is personal ownership, not corporate entities.  
• Grandfather current ownership. | • Limit STR in Industrial or Commercial zone or other zones (?)  
• Residential only(?)  
• Or anywhere(?) | • Excludes apartment, condos or similar.  
• <3% in a building.  
• Round-up as needed.  
• Prevents STR built communities or buildings. | • >500ft between STRs.  
• Exclude multi-unit buildings |
OTHER IDEAS

Earmark STR/Dark Home Property Tax to Housing Development

Earmark STR Bed Tax to Housing Development

Earmark Excess Permit Fees to Housing

Limitations on ADUs