

ASSEMBLY MEMBER SULTE

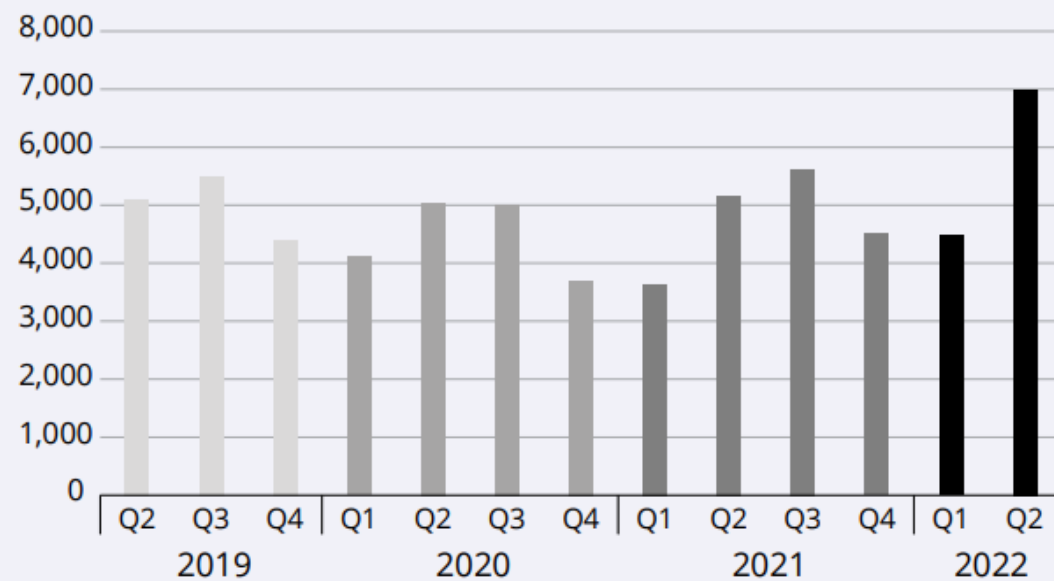
SHORT TERM RENTALS

WWW.MUNI.ORG/ASSEMBLY



SHORT TERM RENTAL DATA

Numbers of short-term rental listings in surveyed Alaska areas



Source: AirDNA

Short-term rental listings and total housing units by area

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

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

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**



**STERS 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

A GENTLE NUDGE



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

Cap STRs to 3% of housing market

- 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.

Limit Ownership to <3 units

- Intent is personal ownership, not corporate entities.
- Grandfather current ownership.

Zoning or Overlays

- Limit STR in Industrial or Commercial zone or other zones (?)
- Residential only(?)
- Or anywhere(?)

No more than *three* on a property

- Excludes apartment, condos or similar.
- <3% in a building.
 - Round-up as needed.
- Prevents STR built communities or buildings.

Distance Requirements

- >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

NEXT STEPS

