

## Brandy McMahon

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**From:** Sara Schmitz <schmitz61@gmail.com>  
**Sent:** Tuesday, August 27, 2019 8:09 PM  
**To:** Brandy McMahon  
**Cc:** rondatycer@aol.com; 'Diane Heirshberg'  
**Subject:** Feedback on the draft neighborhood compatibility document

Brandy,

Thanks for all you're doing to move the jurisdictions toward rules and regulations that protect the lake and public safety.

In Locational, I'd like to see the word "new" removed from the Residential Compatibility item number 3. I feel the 4-5 bedroom homes cause the bulk of the traffic and noise issues because they are mini-hotels. In this same category, item 11 should state 2 night minimum, not 2 day. I read this language in the best practices but I think it's a mistake there as well. Two days, requires only a 1 night stay.

We have been told by Washoe County that TOT funds will not be reallocated to fund anything related to STR. So, your transportation section is an issue. I think the number of cars should be restricted to 2 per STR. The use of the STRs are to be compatible with the neighborhood and 2 cars per home is standard. By restricting the number of cars, you reduce the number of cars driving up to Tahoe and around the basin. This helps water quality, air quantity, and noise. It encourages car-pooling and most homes can only handle the number of occupants that would fit into 2 vehicles. In addition, it is much easier to monitor and observe cars than the number of people inside a home. In other words, it also makes the occupancy number enforceable (I see occupancy limits as completely unenforceable.)

In Operational, I believe you are missing having current BMPs. You have defensible space, but not BMPs. STR's should be required to pay commercial rates for water/sewer and trash collection due to their over burden to our infrastructure. Our water district can tell by water usage when a property is a STR. Water and sewer usage increases 3 fold. You should add to this category another item, item 11 "Random fire and safety inspections are permissible to ensure ongoing safety of the occupants and the community".

In education, you need to include instructions for fire evacuations.

In "other" item 20 should have language added to verify neighborhoods don't have CCR's restricting businesses. Most neighborhoods in Incline Village have CCR's that state no business or profession can be run in the residence. You have listed HOA and CCR's restricting STR, but you are missing "or businesses in their residential subdivision".

Feel free to call if any of this is confusing. I hope you find this helpful.

Sara

Sara Schmitz  
(925) 858-4384

Incline Village Crystal Bay Community 1st

## Brandy McMahon

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**From:** Wendy Wood <wendy@seattlegreenhomes.net>  
**Sent:** Wednesday, August 28, 2019 8:16 AM  
**To:** Gary Spohr  
**Subject:** FW: short term rentals--Ulrick Benzer, owner Host Compliance on NPR re the need for rules, regs and especially ENFORCEMENT

Hi all,

The below is a link to an article about Ulrick Benzer, owner of Host Compliance. It is all we have been saying and needing for years now re problem STRs in Tahoe.

Pls advise of next TRPA Neighborhood Compliance Meeting. We have been trying to stay away from our home for the past few weeks as we cannot get out of our driveway for all the renters in the STRs up the hill—owned only for investment. That is a sad statement but very true and true for many residents in Tahoe.

<https://www.npr.org/2019/08/28/751844133/this-digital-sheriff-helps-cities-wrangle-airbnb-rules>

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## Brandy McMahon

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**From:** cbwillb@charter.net  
**Sent:** Thursday, August 29, 2019 1:23 PM  
**To:** Steve Sweet  
**Cc:** Brandy McMahon; John Hester  
**Subject:** TRPA regulations need to be enforced by Washoe County

Dear Sir,

I write to you as a concerned IV resident. Yesterday afternoon my husband and I kayaked in Incline Village from Hermit Beach to Burnt Cedar Beach:

- Memorable: Spectacular weather, fantastic views of mountains. peaceful (mid week, late season finally - after so much crowding on shore and in water all summer)
- Sadly Better Forgotten: After weeks of doing gymnastics to get the kayaks from racks to/from the water over a hugely overcrowded beachfront, views on the water included dirt clumps, many floating sticks and much floating personal people debris: soda cans, chips bag, many plastic fragments.

Much of the added occupancy volume recently in Incline Village is related to short term rentals. Lacking Washoe County enforcement of the applicable county codes relative to vacation rentals (STRs) and thus violation of the 2004 Inter-Local Agreement between TRPA and the county, we believe that:

- The original TRPA Plan Area statements and regulations prohibiting transient tourist accommodations (and thus vacation rentals aka STRs) from most areas of IV/CB should be enforced
- The enforcement responsible entity - Washoe County - must be held accountable.

Please see supporting detail below referencing specific document content. We therefore request that TRPA enforce the original IV/CB Plan Area statements and prohibit STRs accordingly.

Thank you,  
Carole Black, IV Resident (617-312-8834)

### Addendum: Detailed Documentation and Document References

:It appears that the 2004 Inter-local Agreement between TRPA and the County has not been followed and Washoe County has had 15 years to enforce regulations regarding vacation rentals and has not done so.

As you know:

1. The cover letter from Peter Eichar of TRPA to Michael Harper of Washoe County states "We had hoped to work more closely with WC staff in developing this agreement. ...there are areas that cause us concern...and we feel these issues should have been addressed prior to the Commission taking action on this agreement."
2. Paragraph 2.2 states the agreement is intended "to address compliance issues concerning the use of Lake Tahoe area residences located in Washoe County as vacation rentals"
3. Paragraph 2.3 states "the parties have common objectives in **maintaining the residential character of neighborhoods and ensuring the peaceful enjoyment of property**, to which ends the parties have implemented policies and regulations pertaining to **land use and management, occupancy, noise, parking, lighting, garbage, and signage.**"
4. Paragraph 2.4 states "TRPA is best suited to education... about these...objectives, while the County with its police powers is best suited to seek compliance within the Washoe County area of the Lake Tahoe basin with laws governing vacation rental matters like occupancy, noise, parking, lighting, garbage, and signage."
5. Paragraph 3.1 states "THE COUNTY AGREES TO:
  - work with individual property owners

- and property management

“to promote understanding and compliance with the County’s’ policies and regulations regarding residential occupancy, noise, parking, lighting, garbage, and signage matters.”

6. Paragraph 3.2 states “THE COUNTY AGREES TO:

- enforce its policies and regulations listed below...to vacation rentals (residences that are rented for periods less than 30 days) and correct violations thereof.”

We believe Washoe County has not carried out enforcement of the County Codes 110.902, 110.414, 110.414, 110.410, and 110.504 relative to vacation rentals (STRs), and therefore has violated the Inter-local Agreement. Hence, **we** contend TRPA should enforce the original TRPA Plan Area statements for IV/CB prohibiting transient tourist accommodations (aka, vacation rentals or short-term-rentals) in most of Incline’s Plan Area Statements.

## Brandy McMahon

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**From:** cbwillb@charter.net  
**Sent:** Friday, August 30, 2019 10:26 AM  
**To:** 'kmullin@washoecounty.us'; 'mberkbigler@washoecounty.us'  
**Cc:** 'jherman@washoecounty.us'; 'vhartung@washoecounty.us'; 'blucey@washoecounty.us'; Steve Sweet; Brandy McMahon; John Hester; 'kjung@washoecounty.us'  
**Subject:** Short Term Rental Bans Do Work >> Review the Results!

Kelly and Marsha,

We residents in Incline Village were told at the recent Washoe County STR workshops that we could not "discuss a ban on STRs" and that the Commissioners were not willing to consider a ban because "they don't work."

Your use of the word "ban" implied that limiting STRs in any zones in Incline Village or Crystal Bay would not be possible because they wouldn't work. We believe this is not true.

We believe "banning" STRs from Incline Village's residential areas (while allowing B&Bs in appropriate areas) is the best way "to maintain the residential character of our neighborhoods and ensure the peaceful enjoyment of our property."

We want to correct your misconception that "a ban or partial ban of STRs does not work." There's ample evidence that certain "bans" do work and have been put in place long enough for data to show their effects. I reference three articles. The first article reports positive results of Airbnb "bans" in Berlin, Santa Monica and San Francisco:

<https://www.airdna.co/blog/effects-airbnb-regulation>

*\*BERLIN: Berlin (2016) "banned" STR homeowners from renting unless they occupied at least 50% of the home themselves, with a fine (\$100,000) for renting the entire home on Airbnb. After the ban, monthly listings fell by 49% and reservation days decreased by 59% with larger decreases seen for "professional hosts" (defined as those who rent more than one STR per month)*

*\*SANTA MONICA: Santa Monica (2015) "banned" STRs of entire-homes and required partial-rentals to obtain a business license and pay TOT, with fines of \$500 for violations. Airbnb entire-home rentals fell by 37% and rental days decreased by 51% after the "ban." "Professional host" entire-home rental listings decreased by 40%.*

*SAN FRANCISCO: San Francisco (2014) allowed STRs only if offered by permanent residents who were registered and paid TOT while carrying a minimum of \$500K liability insurance. Airbnb entire-home rentals were also limited to 90 days a year while shared partial-home rentals did not have this restriction.*

The article concluded that "punitive Airbnb regulation—in particular, steep fines for hosts"—had the most impact.

The second article specific to San Francisco mentions fines of about \$484 per day. It also mentions a legal settlement with Airbnb in 2017 with a subsequent final deadline regarding unregistered hosts.

<https://www.2ndaddress.com/research/short-term-rental-laws/>

The San Francisco "ban" and "final deadline" led to the third article titled "Airbnb listings in San Francisco plunge by half."

<https://www.sfchronicle.com/business/article/Airbnb-listings-in-San-Francisco-plunge-by-half-12502075.php>

In each case where a city "banned" STRs, and enforced the "ban" with punitive fines for violations, the city successfully reduced STRs. Many STRs still exist in these cities, so obviously STRs weren't banned totally. But tight restrictions and big fines brought STRs under control and eliminated many "professional hosts" while focusing permitted STRs in residential zones on sites owned, occupied and operated by permanent resident with on site requirements and rental time restrictions.

Incline Village is a small town where STRs have an even more significant impact on our economy and quality of life. Please help us "to maintain the character and ensure the peaceful enjoyment of our properties" by "banning" or "partially banning" STRs in our residential neighborhoods.

Carole Black, IV Resident  
(617-312-8834)

## Brandy McMahon

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**From:** Wendy Wood <wendy@seattlegreenhomes.net>  
**Sent:** Wednesday, August 28, 2019 12:46 PM  
**To:** Gary Spohr  
**Subject:** FW: Fire started by occupants/renters at 1629 Trapper McNutt Trail  
**Attachments:** fullsizeoutput\_cf0.jpeg; NorthTahoeFire ban.pdf

Info on fire at problem STR near Lois Zell's home in Alpine, attached. Most likely had second homeowners insurance and not commercial insurance. We all pay for these repairs in our rapidly increasing insurance rates.

We now have 3 problem STRs above us in small summer cabins. All remote LLCs with no local reps. I can barely get out of my driveway and fear that one of the renters, who change every 3-5 days, 16+ in 3 bdr cabins, will hit me, my dogs, etc. It is like a highway on what was once quiet little Hill St.

Low budget hotels with no supervision. Placer County, you have let this get way out of control.

I just tried to serve the managing member of one of the LLCs as they used our trash bins all winter, \$630, and did not pay for snow removal. Apparently, the managing member, according to the Sec of State, is no longer at 100 Lark Ct in Alamo. Disappeared. So how do I find anyone in the LLC to serve?? Still no deck at the cabin, it collapsed in March, still over 20 Sunnyside J1 visa workers going up and down the hill all day and night. Suggestions?? I did file a code complaint re no in area manager for 3010 Electric St but no one responded, that was given to Michele Serda on June 20, 2019.

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**From:** Lois Zell <lois@zell.com>  
**Sent:** Wednesday, August 28, 2019 8:35 AM  
**To:** Wendy Wood <wendy@seattlegreenhomes.net>  
**Subject:** FW: Fire started by occupants/renters at 1629 Trapper McNutt Trail

Dear Wendy,

Thanks for the email re Ulrick Benzer. I'm wondering if there is a mechanism for getting information of STR owners to the IRS or the California Franchise Tax Board. Could Host Compliance information be given to those agencies? After all, it's only fair that their rental income is subject to income tax like mine is.

FYI I'm forwarding this email to you regarding a fire at the STR next door to me.

Best regards,  
Lois

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**From:** Lois Zell <lois@zell.com>  
**Date:** Monday, July 29, 2019 at 12:00 PM  
**To:** Carley Wiegand <wiegand@MCAssociates.net>, "michael@shahani.com" <michael@shahani.com>  
**Cc:** "DWJastro@placer.ca.gov" <DWJastro@placer.ca.gov>, "cindygustafson@placer.ca.gov" <cindygustafson@placer.ca.gov>, "TLeopold@placer.ca.gov" <TLeopold@placer.ca.gov>, Lindsay Romack <LRomack@placer.ca.gov>, Jeff Zell <jeff@zell.com>, Sherman Zell <sherman@zell.com>, "schwartz@ntfire.net" <schwartz@ntfire.net>  
**Subject:** Fire started by occupants/renters at 1629 Trapper McNutt Trail

Dear Carley and Michael,



On Friday, July 26, 2019, at approximately 9 p.m., the occupants/renters of your property at 1629 Trapper McNutt Trail, Alpine Meadows, which is next door to our property, ignited a fire on the wooden walkway/bridge attached to the structure. Sherman, I and a visiting friend, noticed the flames and were instantly concerned since the flames were extending past the top of the sliding door of the house. I spoke to one of the occupants/renters and he claimed to be unaware of burning requirements, regulations and prohibitions.

The occupants/renters of your property could have easily lost control of the fire, wreaking havoc on a huge area causing not only property damage but loss of life. Sherman and I want to maintain civil relations with you but when our lives and property are at stake we have to speak up. We are letting you know that if incidents like this recur, we will take any and all legal action against you that is necessary to eliminate our risk of physical or economic injury. I also urge you to inform your tenants of the possible legal repercussions of fires like this.

For your information, attached is a photograph of the fire and a press release from the North Tahoe Fire Protection District dated June 26, 2019 relating to a ban on fires and open burning which I believe pertinent to this incident.

Again, we want to maintain a neighborly relationship with you but you must help eliminate incidents like this.

Lois Zell



## **North Tahoe and Meeks Bay Fire Protection Districts**



**Michael S. Schwartz - Fire Chief**  
PO Box 5879  
222 Fairway Dr.  
Tahoe City, CA 96145

**Steve Simons - Fire Chief**  
Main: 530-583-6911  
Fax: 530-583-6909  
Meeks Bay Main: 530-525-7548

### **PRESS RELEASE**

**Erin Holland - Public Information Officer - North Tahoe Fire – [holland@ntfire.net](mailto:holland@ntfire.net) - 530-308-1158**

#### **North Tahoe Fire and Meeks Bay Fire Protection Districts Prohibit ALL Open Burning and Recreational Fires**

**Tahoe City, Calif. June 26, 2019** – On June 17, 2019 CAL FIRE suspended residential burn permits in the Tahoe Basin. Today, June 26<sup>th</sup> marked the first day of the year categorized as “High Fire Danger” in the Basin, prompting North Tahoe Fire Protection District (NTFPD) and Meeks Bay Fire Protection District (MBFPD) to impose fire restrictions by suspending all recreational campfires and open burning. The suspension takes effect today and will remain in effect through the fire season.

All open burning bonfires/campfires, outdoor fireplaces (unless properly screened), and recreation fires as defined in CFC 202 are prohibited. Exemptions: properly screened portable outdoor fireplaces, LPG or LNG portable outdoor fireplaces, and covered barbeques with a total fuel area of 3 feet or less in diameter and 2 feet or less in height, that are at least 15 feet from a structure or combustible material for pleasure, religious, ceremonial, cooking, warmth or similar purposes (CFC 307.4.3) are allowed. Burning of any solid fuels, including charcoal, is prohibited during Red Flag Weather Declarations (Local Ordinance 307.1.2).

“Sadly, illegal campfires continue to be the leading cause of wildfires in the Tahoe Basin, so it is important to obey all fire restrictions.” said NTFPD Fire Chief Michael Schwartz. “It’s also important for residents and visitors to know that open-flame devices such as tiki torches, as well as all fireworks, including sparklers and firecrackers, are illegal in the Tahoe Basin year-round because of the wildfire danger they pose.”

Charcoal BBQs, properly screened outdoor fireplaces, and LPG or LNG portable outdoor fireplaces are considered a campfire by Public Resource Code 4103.5, and are only allowed on private property with written permission of the property owner in the possession of the person operating the fire. Grills and fireplaces must be properly screened or covered per our fire restrictions, and all campfire provisions apply including at least 15 feet of clearance from anything combustible around the grill, with a shovel and water supply nearby. Use the “drown, stir and feel” method: drown the coals with water, then stir around with your shovel to wet all sides. Feel with the back of your hand for heat, make sure nothing is still warm. If it is too hot to touch, it’s too hot to leave. Campfire permits are available [online](#).

NTFPD and MBFPD are asking residents to ensure that they are prepared for wildfires by maintaining a minimum of 100 feet of Defensible Space around every structure. “It’s important for residents to effectively maintain defensible space on their property to improve their home’s survivability from both surface fires and ember showers.” Said NTFPD Fire Marshal Todd Conradson.



## ***North Tahoe and Meeks Bay Fire Protection Districts***



Here are some tips to help prepare homes and property:

- Maintain at least 5 feet free of combustible material around each structure.
- For a distance of at least 30 feet from the home, there should be a Lean, Clean and Green Area.
- Clear all dead and or dying vegetation 100 feet from all structures.
- Landscape with fire resistant/drought tolerant plants.
- Find alternative ways to dispose of landscape debris like chipping or hauling to a biomass energy facility.

For additional information on how to create Defensible Space, tips to prevent wildfires and ways to prepare for emergencies and evacuations, visit [Tahoe.LivingWithFire.Info](http://Tahoe.LivingWithFire.Info).

####





# North Tahoe Fire/Weeks Bay Fire Fire Season Restrictions

[www.ntfire.net](http://www.ntfire.net)

**What kind of Campfire can I have?** Properly screened wood burning outdoor fireplace or chiminea, LPG or LNG portable outdoor fireplace, or barbeque with a total fuel area of 3 feet or less in diameter and 2 feet or less in height, at least 15 feet from a structure or combustible material. Campfire permits are available at <http://www.preventwildfireca.org/>.

**\*\*\* Renters must have written permission from the property owner in their possession. \*\*\***

**Do these restrictions apply to USFS land?** USFS land has their own restrictions. It is your responsibility to find out what restrictions are in place on federal land. Visit <https://www.fs.usda.gov/ltbmu/> and look for restrictions in the Tahoe Basin.

**What does a Red Flag Warning mean to me?** **DON'T CAUSE ANY TYPE OF SPARK OR FIRE! Red Flag = High Fire Danger!**

- 1) A sustained wind average 15 mph or greater
- 2) Relative humidity less than or equal to 25 percent and
- 3) A temperature of greater than 75 degrees F.

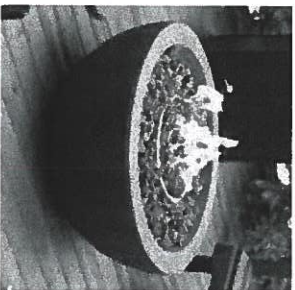
**How do I know if it's a Red Flag Day?** Check [www.weather.gov](http://www.weather.gov), check our Facebook or Twitter, view signs located in front of District fire stations, look for magnetic signs on firefighter vehicles, tune into AM 1630.

**Who do I call to report a fire? CALL 911**

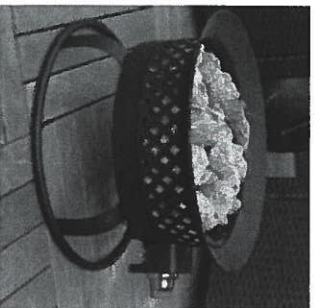


## Allowed Year Round With the Exception of RED FLAG DAYS!

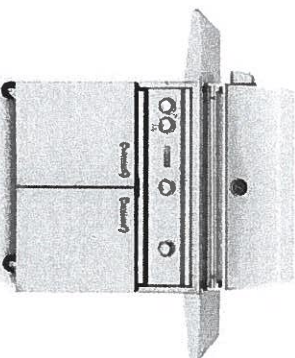
LNG Outdoor Fireplace



LPG Outdoor Fireplace

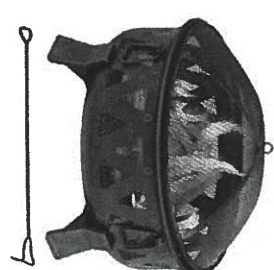


Grill/BBQ



Properly Screened Wood Burning Outdoor

Fireplace or Chiminea



**Brandy McMahon**

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**From:** Sara Schmitz <schmitz61@gmail.com>  
**Sent:** Tuesday, September 03, 2019 8:55 AM  
**To:** Brandy McMahon  
**Cc:** Joanne Marchetta  
**Subject:** economic policy institute article  
**Attachments:** STR AirBNB value or not article.pdf

This is a well-balanced article worth reviewing by the TRPA Working Group

Sara Schmitz  
(925) 858-4384

Incline Village Crystal Bay Community 1st



# The economic costs and benefits of Airbnb

No reason for local policymakers to let Airbnb bypass tax or regulatory obligations

**Report** • By **Josh Bivens** • January 30, 2019

**Summary:** Analysis shows that the costs of Airbnb expansion to renters and local jurisdictions likely exceed the benefits to travelers and property owners. Thus there is no reason policymakers should reverse long-standing regulatory decisions simply to accommodate the rise of a single company.

Updated March 26, 2019

## Summary

“The sharing economy” refers to a constellation of (mostly) Silicon Valley–based companies that use the internet as their primary interface with consumers as they sell or rent services. Because this term is “vague and may be a marketing strategy” (AP 2019), we refer to these firms less poetically but more precisely as “internet-based service firms” (IBSFs).

Economic policy discussions about IBSFs have become quite heated and are too often engaged at high levels of abstraction. To their proponents, IBSFs are using technological advances to bring needed innovation to stagnant sectors of the economy, increasing the quality of goods and services, and providing typical American families with more options for earning income; these features are often cited as reasons why IBSFs should be excused from the rules and regulations applying to their more traditional competitors. To skeptics, IBSFs mostly represent attempts by rich capital owners and venture capitalists to profit by flouting regulations and disguising their actions as innovation.

The debates about whether and how to regulate IBSFs often involve theories about their economic costs and benefits. This report aims to inform the debate by testing those theories. Specifically, it assesses the potential economic costs and benefits of the expansion of one of the most well-known of the IBSFs: the rental business Airbnb.

Airbnb, founded in 2008, makes money by charging guests and hosts for short-term rental stays in private homes or apartments booked through the Airbnb website. It started in prototype in San Francisco and expanded rapidly, and is now operating in hundreds of cities around the world. Airbnb is frequently depicted as a boon for travelers looking for lower-cost or nontraditional accommodations, and for homeowners looking to expand their income stream. But in many local markets, the arrival and expansion of Airbnb is raising questions about its potential negative impacts on local housing costs, quality

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of life in residential neighborhoods, employment quality in the hospitality industry, and local governments' ability to enforce municipal codes and collect appropriate taxes.

In our cost-benefit analysis, we find:

- **The economic costs Airbnb imposes likely outweigh the benefits.** While the introduction and expansion of Airbnb into U.S. cities and cities around the world carries large potential economic benefits and costs, the costs to renters and local jurisdictions likely exceed the benefits to travelers and property owners.
- **Airbnb might, as claimed, suppress the growth of travel accommodation costs, but these costs are not a first-order problem for American families.** The largest and best-documented potential benefit of Airbnb expansion is the increased supply of travel accommodations, which could benefit travelers by making travel more affordable. There is evidence that Airbnb increases the supply of short-term travel accommodations and slightly lowers prices. But there is little evidence that the high price of travel accommodations is a pressing economic problem in the United States: The price of travel accommodations in the U.S. has not risen particularly fast in recent years, nor are travel costs a significant share of American family budgets.
- **Rising housing costs are a key problem for American families, and evidence suggests that the presence of Airbnb raises local housing costs.** The largest and best-documented potential cost of Airbnb expansion is the reduced supply of housing as properties shift from serving local residents to serving Airbnb travelers, which hurts local residents by raising housing costs. There is evidence this cost is real:
  - Because housing demand is relatively inelastic (people's demand for somewhere to live doesn't decline when prices increase), even small changes in housing supply (like those caused by converting long-term rental properties to Airbnb units) can cause significant price increases. High-quality studies indicate that Airbnb introduction and expansion in New York City, for example, may have raised average rents by nearly \$400 annually for city residents.
  - The rising cost of housing is a key problem for American families. Housing costs have risen significantly faster than overall prices (and the price of short-term travel accommodations) since 2000, and housing accounts for a significant share (more than 15 percent) of overall household consumption expenditures.
- **The potential benefit of increased tourism supporting city economies is much smaller than commonly advertised.** There is little evidence that cities with an increasing supply of short-term Airbnb rental accommodations are seeing a large increase in travelers. Instead, accommodations supplied via Airbnb seem to be a nearly pure substitution for other forms of accommodation. Two surveys indicate that only 2 to 4 percent of those using Airbnb say that they would not have taken the trip were Airbnb rentals unavailable.
  - Studies claiming that Airbnb is supporting a lot of economic activity often vastly overstate the effect because they fail to account for the fact that much of this spending would have been done anyway by travelers staying in hotels or other alternative accommodations absent the Airbnb option.



- **Property owners do benefit from Airbnb’s capacity to lower the transaction costs of operating short-term rentals, but the beneficiaries are disproportionately white and high-wealth households.** Wealth from property ownership is skewed, with higher-wealth and white households holding a disproportionate share of housing wealth overall—and an even more disproportionate share of housing wealth from nonprimary residences because they are much more likely to own nonprimary residential property (such as multi-unit Airbnb rentals).
- **The shift from traditional hotels to Airbnb lodging leads to less-reliable tax payments to cities.** Several large American cities with a large Airbnb presence rely heavily on lodging taxes. Airbnb has largely blocked the ability of these cities to transparently collect lodging taxes on Airbnb rentals that are equivalent to lodging taxes on hotel rooms. One study found that the voluntary agreements Airbnb has struck with state and local governments “[undermine] tax fairness, transparency, and the rule of law.”
- **City residents likely suffer when Airbnb circumvents zoning laws that ban lodging businesses from residential neighborhoods.** The status quo of zoning regulations in cities reflects a broad presumption that short-term travelers likely impose greater externalities on long-term residents than do other long-term residents. Externalities are economic costs that are borne by people not directly engaged in a transaction. In the case of neighbors on a street with short-term renters, externalities include noise and stress on neighborhood infrastructure like trash pickup. These externalities are why hotels are clustered away from residential areas. Many Airbnb rental units are in violation of local zoning regulations, and there is the strong possibility that these units are indeed imposing large costs on neighbors.
- **Because Airbnb is clearly a business competing with hotel lodging, it should be subject to the same taxation regime as hotels.** In regard to zoning regulations, there is no empirical evidence that the net benefits of Airbnb introduction and expansion are so large that policymakers should reverse long-standing regulatory decisions simply to accommodate the rise of a single company.

## Overview of the economics of Airbnb

Airbnb runs an online marketplace for short-term lodging rentals. It largely does not own dwellings or real estate of its own; instead, it collects fees by acting as a broker between those with dwellings to rent and those looking to book lodging.

The perception that Airbnb tries to foster is that its “hosts” are relatively typical households looking to earn supplementary income by renting out rooms in their homes or by renting out their entire residence when they’re away. Critics argue that Airbnb bookings have become increasingly concentrated among a relatively small number of “hosts” that are essentially miniature hotel companies.<sup>1</sup>

## Potential economic benefits

At a broad level, the potential economic benefits and costs of Airbnb are relatively straightforward.<sup>2</sup>

The key potential benefit is that property owners can **diversify the potential streams of revenue** they generate from owning homes. Say, for example, that before Airbnb arrived in a city, property owners setting up residential rental properties faced transaction costs so high that it only made economic sense to secure relatively long-term leases. These transaction costs incurred by property owners could include advertising for and screening of tenants and finding alternative accommodations for themselves if they were renting their own dwellings. But if the rise of internet-based service firms reduced these transaction costs and made short-term rentals logistically feasible and affordable for the first time, it could allow these property owners to diversify into short-term rentals as well as long-term rentals.

Another potential benefit is the **increased supply (and variety) of short-term rentals** available to travelers. This increased supply can restrain price growth for short-term rentals and make traveling more affordable.

Finally, one well-advertised potential benefit of Airbnb is the **extra economic activity that might result** if the rise of Airbnb spurs an increase in visitors to a city or town. Besides the income generated by Airbnb property owners, income might be generated by these visitors as they spend money at restaurants or in grocery stores or on other activities.

## Potential costs

The single biggest potential cost imposed by Airbnb comes in the form of **higher housing costs for city residents** if enough properties are converted from long-term housing to short-term accommodations. If property owners take dwellings that were available for long-term leases and convert them to short-term Airbnb listings, this increases the supply of short-term rentals (hence driving down their price) but decreases the supply of long-term housing, increasing housing costs for city residents. (We refer to all long-term costs of shelter as “housing,” including rentals and owners’ equivalent rental costs.)

Another large potential city-specific cost of Airbnb expansion is the **loss of tax revenue**. Many cities impose relatively steep taxes on short-term lodging, hoping to obtain revenue from out-of-town travelers to spend on local residents. The most common and straightforward of these revenue raisers is a tax on traditional hotel rooms. If Airbnb expansion comes at the expense of traditional hotels, and if the apparatus for collecting taxes from Airbnb or its hosts is less well-developed than the apparatus for collecting taxes from traditional hotels, this could harm city revenues.

A further potential cost is the **externalities that property rentals (of all kinds) impose** on neighbors, for example, noise and/or use of building facilities. Since hosts are often not on-site with their renters, they do not bear the costs of these externalities and hence may not factor them into rental decisions. Of course, one could argue that such externalities

are also incurred with long-term rentals not arranged through Airbnb. But if the expansion of Airbnb increases total short- and long-term rental activity, or if short-term rentals impose larger externalities than long-term rentals, then Airbnb expansion can increase these externalities.

Finally, if Airbnb expansion comes at the expense of traditional hotels, it could have a **negative impact on employment**. First, since some of the labor of maintaining Airbnb lodgings is performed by the property owners themselves, the shift to Airbnb from traditional hotels would actually reduce employment overall. Second, since the task of cleaning and maintaining rooms and even greeting Airbnb renters is often done by third-party management firms, the shift from the traditional hotel sector to Airbnb rentals could degrade job quality.

The rest of this report evaluates the potential scope of each of these benefits and costs, and ends with an overall assessment of the effect of Airbnb expansion.

# Potential benefits of Airbnb introduction and expansion in U.S. cities

This section elaborates on the potential benefits identified in the previous section. For each benefit, it assesses how likely the benefit is to emerge, provides empirical estimates of the magnitude of the benefit, and discusses the likely distribution of the benefit.

## Potential benefit one: Property owners can diversify into short-term rentals

The most obvious benefit stemming from the creation and expansion of Airbnb accrues to property owners who have units to rent. Owners of residential property have essentially three options for earning a return on the property: They can live in the residence and hence not have to pay rent elsewhere, they can rent it out to long-term residents, or they can rent it out to short-term visitors.

If the only barrier to renting out residential property to short-term visitors were the associated transaction costs, then in theory the creation and expansion of Airbnb could be reducing these transaction costs and making short-term rental options more viable. It does seem intuitive that transaction costs of screening and booking short-term renters would be higher over the course of a year than such costs for renting to long-term residents (or the costs of maintaining owner-occupied property). However, the potential benefits are only the *difference* between what the property owner earned before the introduction of Airbnb and what the property owners earned from short-term rentals booked through the Airbnb platform.

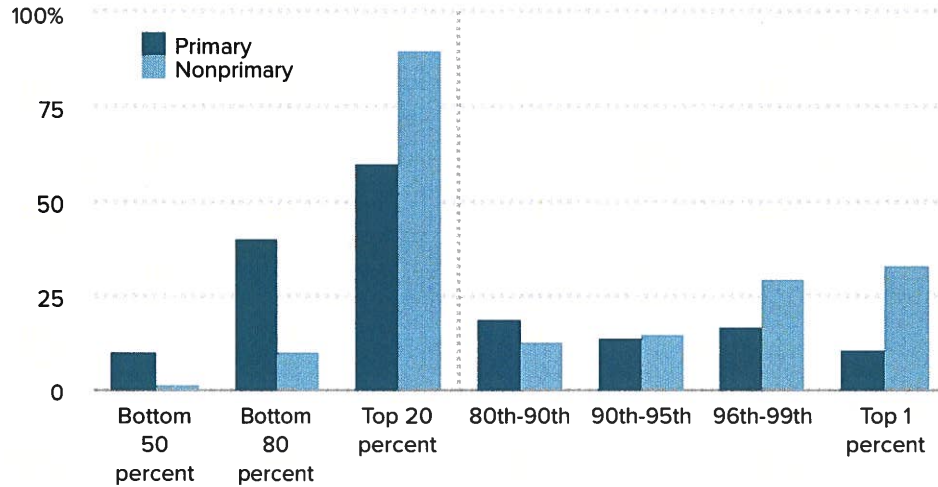
These potential benefits are likely quite skewed to those with more wealth. While housing is more widely held than most other assets, the total value of housing wealth is (like all wealth) quite concentrated among white and high-income households. Further, because of the myriad benefits of owning one's own residence, it is likely that much of the benefit of Airbnb's introduction and expansion accrues to those with more than one property (one for occupying and one or more for renting).<sup>3</sup> The distribution of property wealth generated by nonprimary residential real estate is even more concentrated than housing wealth overall. **Figure A** shows, by wealth class, the distribution of housing wealth overall and of housing wealth excluding owner-occupied housing.

This figure shows that the potential benefits of Airbnb introduction and expansion to property owners are highly concentrated. To put it simply, any economic occurrence that provides benefits proportional to owning property is one that will grant these benefits disproportionately to the wealthy. In 2016, for example, 60.0 percent of primary housing wealth (housing wealth in households' primary residences) was held by the top 20 percent

Figure A

## Housing wealth—particularly wealth from owning a nonprimary residence—is skewed

Share of total primary and nonprimary household housing wealth in the U.S. economy held by each wealth class, 2016



**Note:** Primary housing wealth is wealth from owner-occupied housing. Nonprimary housing wealth is wealth from nonowner-occupied housing. The wealth classes depicted overlap, with the top 20 percent broken down into households falling within the 80th to 90th, 90th to 95th, and 96th to 99th percentiles.

**Source:** Author's analysis of microdata from the Federal Reserve Board Survey of Consumer Finances (2016)

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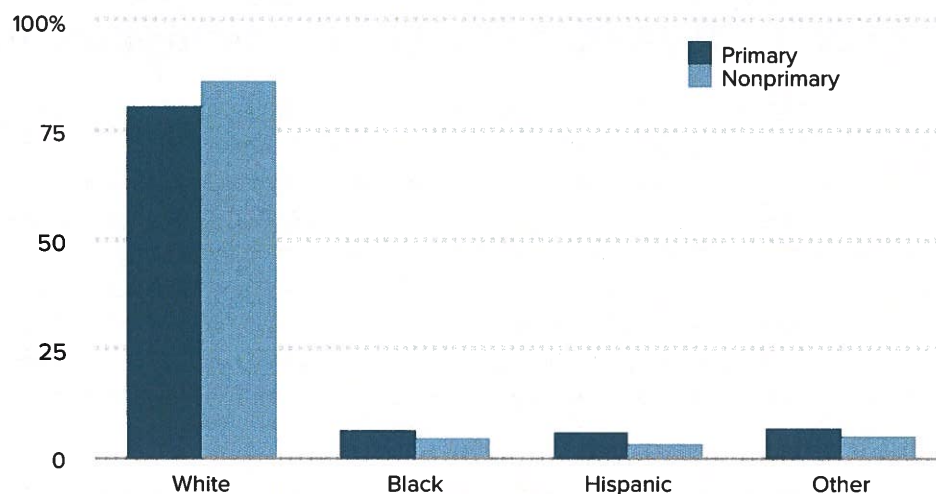
of households. (Not shown in the figure is that this share has increased by 5.4 percentage points since 1989.) As we noted earlier, however, many Airbnb listings are actually owned by households with multiple units to rent. Given this, Figure A also shows the share of housing wealth from nonprimary residences held by various groups. This “nonprimary housing wealth” is far more skewed. For example, the top 20 percent hold 90.1 percent of this type of wealth.

**Figure B** shows the distribution of housing wealth by race and ethnicity. Across racial groups, more than 80 percent of wealth in one’s primary residence was held by white households. African American households held just 6.5 percent of wealth in primary residences, Hispanic households held 6.0 percent of this type of wealth, while households of other races and ethnicities held 6.9 percent. Not shown is the change in the share of wealth in primary residences held by racial and ethnic groups: Primary housing wealth held by nonwhite households has risen a bit (by roughly 6 percentage points) since 1989. As with the distribution by wealth class, the holdings of nonprimary housing wealth by race and ethnicity are again even more skewed, with white households holding more than 86 percent of this type of wealth. African American households hold just 5.0 percent of nonprimary housing wealth, Hispanic households hold 3.6 percent, and households of other races and ethnicities hold 5.2 percent.

Figure B

## White households disproportionately benefit from housing wealth

Share of total primary and nonprimary household housing wealth held, by race and ethnicity



**Note:** Primary housing wealth is wealth from owner-occupied housing. Nonprimary housing wealth is wealth from nonowner-occupied housing. Hispanic means "Hispanic any race" and the race/ethnicity categories are mutually exclusive.

**Source:** Author's analysis of microdata from the Federal Reserve Board Survey of Consumer Finances (2016)

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In short, what Figures A and B show is that because wealth from residential properties that can produce rental income is concentrated among the wealthy and white households, giving property owners the unfettered option to choose Airbnb over long-term rental uses of their property means conferring an enhanced option to predominantly wealthy and white owners of housing wealth. (**Appendix Table 1** provides the same analyses shown in Figures A and B for the years 1989, 1998, and 2007, and for the most recent data year, 2016, as well as the change from 1989 to 2016.)

Finally, while Airbnb might make short-term rentals feasible for property owners by reducing transaction costs through the technological efficiencies provided by Airbnb's internet-based platform, the company might also just make short-term rentals feasible by creating a norm of ignoring regulations that bar short-term rentals. Short-term rentals are effectively banned in many residential neighborhoods in the cities where Airbnb operates, yet they have proliferated after the introduction of Airbnb.<sup>4</sup> The regulations barring or limiting short-term rentals were established to reduce the externalities associated with commercial operations of certain kinds—including hotel operations—in residential neighborhoods. Airbnb's business model appears to depend significantly on skirting these regulations and dodging competition from traditional hotel owners who are prohibited from operating in these same neighborhoods. If the regulations banning short-term rentals are baseless and serve no useful purpose, then subverting them could be seen as a



benefit of Airbnb. But allowing large corporations such as Airbnb to simply ignore regulations—rather than trying to change them through democratic processes—is hardly the basis of sound public policy.

## Potential benefit two: Increased options and price competition for travelers' accommodations

Airbnb is essentially a positive supply shock to short-term accommodations. Like all positive supply shocks, it should be expected to lower prices. There is some accumulating evidence that Airbnb does exactly this. Zervas, Proserpio, and Byers (2017) examine the effect of Airbnb expansion across cities in Texas. They find that each 10 percent increase in the size of the Airbnb market results in a 0.4 percent decrease in hotel room revenue. They find that most of this revenue decline is driven by price declines. Evidence of the positive supply shock is particularly evident in the 10 American cities where Airbnb's presence is largest. Dogru, Mody, and Suess (2019) find a negative correlation between Airbnb expansion and hotels' average daily rates in the 10 U.S. cities with the largest Airbnb presence.

Besides cost, the introduction and expansion of Airbnb could improve the perceived quality of accommodations available. There is some limited evidence that this is the case: a survey by doctoral candidate Daniel Adams Guttentag (2016) finds that “convenient location” is one of the top reasons given by Airbnb guests when asked why they chose the service. But the Guttentag 2016 survey also identifies “low cost” as the *single most-identified* reason people give when asked why they chose Airbnb.

However, it should be stressed that this potential benefit of Airbnb introduction and expansion is overwhelmingly a *redistribution* of welfare, not an *increase* in economywide welfare. Very few people have claimed that Airbnb's spread within a given city has led developers to build *more accommodations* in the city overall. Instead, owners or third parties have often turned long-term rental units into short-term lodging via Airbnb.

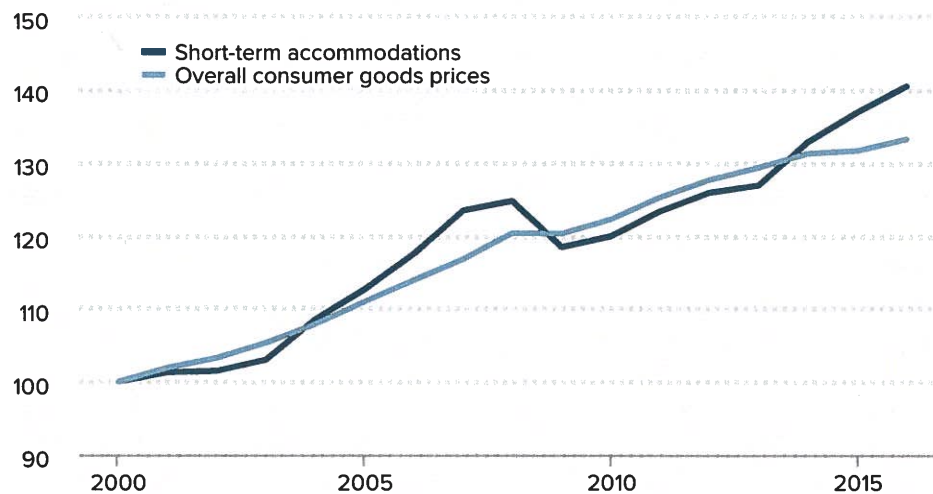
The question then becomes, “Has this redistribution of potential accommodations from the long-term to the short-term market increased economic welfare overall?” One way that Airbnb could be increasing economic welfare overall is if it were helping travelers deal with rising travel accommodation costs.

By looking at trends in prices and spending in the short-term lodging sector, we can get a commonsense check on whether high prices for short-term travel accommodations are a pressing economic problem for ordinary American households. If the price of short-term travel accommodations were rising rapidly, then presumably an increase in supply that restrained price increases would be valuable (or at least more valuable than if these prices were not showing any particularly trend). The two lines in **Figure C** show changes in the consumer price index for travel accommodations compared with changes in the overall price index for personal consumption expenditures (PCE). According to Figure C, in the 2010s, the price of short-term travel accommodations has grown faster than prices overall only since 2014—this is the same year that ushered in the large-scale expansion of Airbnb.

Figure C

## The price of short-term travel accommodations has increased slightly faster than prices overall, but only in recent years

Price indices for short-term travel accommodations and overall personal consumption expenditures (PCE), 2000–2016



Source: Author's analysis of Bureau of Economic Analysis National Income and Product Accounts (NIPA) Table 2.4.4.

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So it certainly seems that the launch and growth of Airbnb was not solving any preexisting price pressure—because it was operating and expanding well before recent years' price growth. (Further, it is possible that by substituting more strongly for a less-expensive slice of the traditional hotel market—leisure travel as opposed to business travel, for example—that Airbnb introduction might actually be associated with raising measured short-term travel accommodation prices, through a composition effect.)

## Potential benefit three: Travelers' spending boosts the economic prospects of cities

The lower prices and greater range of options made available by the introduction and expansion of Airbnb could, in theory, induce a large increase in travel and spark economic growth in destination cities. This is precisely the claim made in a report by NERA Economic Consulting (NERA 2017), which says that Airbnb “supported” 730,000 jobs and \$61 billion in output globally, with roughly a quarter of this economic gain occurring in the United States.

To be blunt about these claims, they are flatly implausible. They rest on the assumption that all money spent by those renting Airbnb units is money that would not have been spent in some alternative accommodations had Airbnb not existed.



Say, for example, that guests at Airbnb properties spent \$10 million in New York City in 2016, including the money spent at restaurants and theaters and other attractions while visiting the city. The rental payment these guests make is included in the NERA numbers, but is expressed as extra income for Airbnb hosts. NERA then takes this entire \$10 million in spending (both nonaccommodation spending by visitors and the extra income going to Airbnb hosts) and runs it through input–output models to generate multiplier effects that yield their final numbers for output and employment supported in each city.

There are a number of problems with the NERA study. First, it is surprisingly opaque. It does not provide overall global and U.S. spending numbers or break these numbers into their components: nonaccommodation spending by Airbnb guests and income generated for Airbnb hosts. It also does not report the assumed size of the multiplier. Rather, it provides final numbers for global and U.S. output and employment that are functions of primary spending flows multiplied by the effects of their input–output model. The study states that it uses the well-known IMPLAN model, but IMPLAN can generate multipliers of varying size: It would be valuable to know just how large NERA is assuming the multiplier effects of this Airbnb-related spending is, just as a plausibility check.

Second, the study seems clearly written to maximize the perceived support Airbnb might provide local economies—both now and into the future. For example, toward the end of the report NERA provides several tables showing projected support for output and employment for years after the study (from 2017 to 2025). These projected *future* contributions to output and employment dwarf the contribution that is apparent in the actual data analyzed by NERA. But these projections rely on overoptimistic assumptions about Airbnb’s future growth. For example, NERA forecasts growth of 75 percent for Airbnb arrivals in 2017,<sup>5</sup> but another study (Molla 2017) suggests that these arrivals in fact grew by closer to 25–50 percent, with growth rates particularly slowing in the U.S. and the European Union.<sup>6</sup>

What is by far the most important weakness of the NERA analysis is its reliance on the assumption that *all* spending done by travelers staying at Airbnb properties is spending that would not have been done had Airbnb not existed. The possibility that Airbnb visitors would still have visited a city even if Airbnb units were unavailable—by securing alternative accommodations—is completely ruled out by the NERA analysis. This is obviously an incorrect assumption. For example, it assumes that Airbnb and traditional hotels are not seen as potential substitutes for each other in the minds of travelers. But research has shown that they *are* quite close substitutes. Zervas, Proserpio, and Byers (2017) empirically assess the effect of Airbnb’s expansion on the hotel industry in the state of Texas. In their introduction, they write, “Our hypothesis is that some stays with Airbnb serve as a substitute for certain hotel stays, thereby impacting hotel revenue....” In their discussions and conclusions section, they summarize what their empirical investigation has found: “Focusing on the case of Airbnb, a pioneer in shared accommodations, we estimate that its entry into the Texas market has had a quantifiable negative impact on local hotel room revenue.” Put simply, this result is completely inconsistent with the assumption that Airbnb has no potential substitutes for those using its services. This in turn means that at least some of the economic activity “supported” in local economies by spending done by Airbnb guests is activity that would have been supported absent Airbnb, likely by these

same guests staying in traditional hotels or other accommodations.

As discussed in a previous section, Guttentag (2016) reports the findings of a survey of Airbnb users. Among other questions, the survey explicitly asks how substitutable travelers find Airbnb lodgings. The precise question is, “Thinking about your most recent Airbnb stay—If Airbnb and other similar person-to-person paid accommodations services (e.g., VRBO) did not exist, what type of accommodation would you have most likely used?” Only 2 percent of Airbnb users responded to this question with the assertion that they would not have taken the trip. The remaining 98 percent identified other lodging possibilities that they would have used. In a similar survey that included some business travelers, Morgan Stanley Research 2017 reports near-identical findings, with between 2 and 4 percent of respondents saying that they would not have undertaken a trip but for the presence of Airbnb.<sup>7</sup> In both the Morgan Stanley Research survey and the Guttentag survey, roughly three-fourths of the respondents indicated that Airbnb was substituting for a traditional hotel.

If the Guttentag 2016 and Morgan Stanley Research 2017 findings are correct, this implies that NERA overstates the support Airbnb provides to local economies by somewhere between 96 and 98 percent. It is possible that some flows of spending might support more local spending when associated with Airbnb instead of traditional hotels—for example, one could argue that income accruing to Airbnb hosts is more likely to be spent locally than money paid to large hotel chains. However, the reverse is also true—for example, Airbnb rentals are far more likely to come equipped with a kitchen, and so Airbnb lodgers might be more likely to eat in rather than patronize restaurants.

Additionally, the local spillover spending associated with Airbnb expansion might not be uniform across neighborhoods. Alyakoob and Rahman (2018) document a modest increase in local restaurant spending associated with expanding Airbnb presence. Essentially, restaurants located away from central hotel cores in cities are unlikely to attract many out-of-town tourists. But if Airbnb penetration in outlying neighborhoods increases, restaurants there might now be able to tap some of this tourist market. Alyakoob and Rahman find that every 2 percent rise in Airbnb activity in a given neighborhood increases restaurant employment in that neighborhood by 3 percent. Crucially, Alyakoob and Rahman make no such calculation for potential employment-depressing effects of restaurants closer to traditional hotels. Further, they find that the boost to restaurant employment given by greater Airbnb activity does not occur in areas with a relatively high share of African American residents.

Finally, given that the overwhelming share of jobs “supported” by Airbnb are jobs that would have been supported by guests in some alternative accommodation, it seems likely that even if there is a slight increase in *spending* associated with a slight (about 2 percent) increase in visitors to a city due to Airbnb, there may well be a decline in *jobs*. We have noted previously that it is quite possible that traditional hotels are a more labor-intensive source of accommodation than are Airbnb listings. If, for example, Airbnb operators employ fewer people to provide cleaning and concierge and security services, then each dollar spent on Airbnb accommodations is likely to support less employment than each dollar spent on traditional hotel accommodations.

We can gauge the employment effect with a hypothetical scenario that assumes that the Guttentag 2016 and Morgan Stanley Research 2017 analyses are correct and that only 2 to 4 percent of the spending supported by Airbnb represents net new spending to a locality. In this case, if even half of the overall spending “supported” by Airbnb is a pure expenditure shift away from traditional hotels, and if traditional hotels are even 5 to 10 percent more labor-intensive than Airbnb units, then introducing Airbnb would actually have a *negative* effect on employment.<sup>8</sup>

Even if one grants that 2 to 4 percent of the output supported by Airbnb in host cities is net new spending, this spending is just a redistribution away from other, presumably less-Airbnb-intensive, localities. Given that Airbnb has tended to grow in already rich and desirable cities, it is unclear why inducing the transfer of even more economic activity away from other cities toward thriving cities would ever be viewed as a positive policy outcome.

In short, the results of the NERA study should be ignored by policymakers seeking an accurate sense of the scale of Airbnb expansion costs and benefits.<sup>9</sup>

## Potential costs of Airbnb introduction and expansion

This section elaborates on the potential costs highlighted in the overview section. It assesses the likely outcome of these costs, estimates their empirical heft, and assesses the likely distribution of these costs.

### Potential cost one: Long-term renters face rising housing costs

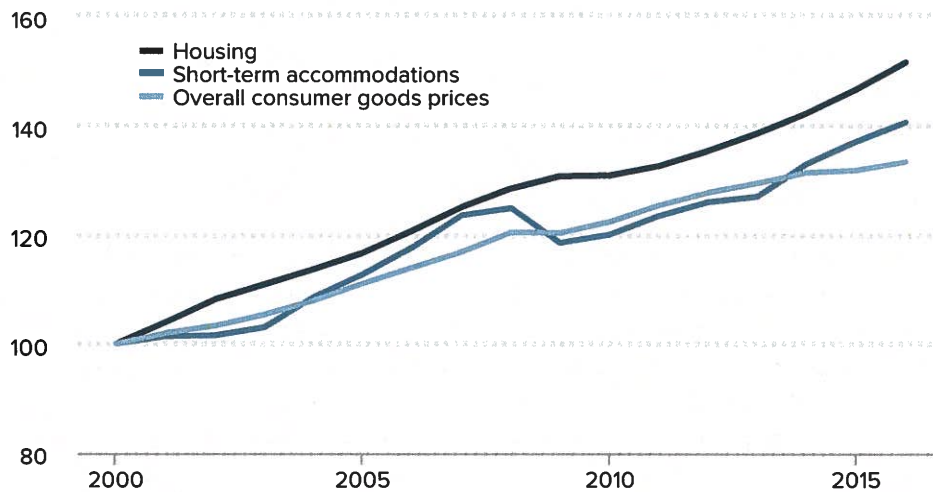
The mirror image of Airbnb’s positive supply shock to short-term travel accommodations is its negative supply shock to long-term housing options. Again, none of the literature reviewed in this paper suggests that the introduction and expansion of Airbnb has spurred more residential construction overall, so as more units become available to Airbnb customers, this means that fewer potential housing units are available to long-term renters or owner-occupiers in a city.

Earlier, we saw that price increases in short-term travel accommodations have been in line with overall consumer price increases in recent years, suggesting that there is no obvious shortage in short-term accommodations. (It is important to note that the tracking of short-term travel accommodation prices and overall prices was tight well before Airbnb was exerting any serious effect one way or the other on prices.) However, national prices of long-term housing are rising faster than overall prices, suggesting a shortage of long-term housing. Because of this above-inflation growth in long-term housing costs, any trend that exacerbates this increase is more damaging than if these prices had been relatively flat in recent years. **Figure D** shows inflation in the price indices for housing (long-term rentals as

Figure D

## Housing costs are rising faster than costs of short-term accommodations or overall consumer goods

Price indices for housing, short-term travel accommodations, and overall personal consumption expenditures (PCE), 2000–2016



**Note:** The housing price index includes both long-term rentals as well as imputed rents for owner-occupied housing.

**Source:** Author's analysis of Bureau of Economic Analysis National Income and Product Accounts (NIPA) Table 2.4.4

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well as imputed rents for owner-occupied housing) and for short-term travel accommodations, and in the overall personal consumption expenditures index. In recent years, long-term housing price growth has clearly outpaced both overall price growth and increases in the price of short-term travel accommodations. This recent rise in the inflation rate of long-term housing, in fact, has become a much-discussed policy challenge that has spurred much commentary and analysis over the past decade.

The fact that the cost of long-term housing has become a prime source of economic stress for typical Americans should be considered when weighing the costs and benefits of Airbnb's introduction and expansion. Crucially, demand for housing is quite inelastic, meaning that households have little ability to forgo housing when it becomes more expensive. When demand is inelastic, even relatively small changes in housing supply can cause significant changes in the cost of housing.<sup>10</sup> This intuition is clearly validated in a number of careful empirical studies looking precisely at the effect of Airbnb introduction and expansion on housing costs.

According to these studies, Airbnb—though relatively new—is already having a measurable effect on long-term housing supply and prices in some of the major cities where it operates. For example, Merante and Horn (2016) examine the impact of Airbnb on rental prices in Boston. The authors construct a rich data set by combining data on weekly

rental listings from online sources and data from Airbnb listings scraped from web pages. They find that each 12 Airbnb listings per census tract leads to an increase in asking rents of 0.4 percent. It is important to note that this is a finding of causation, not just correlation. They put this finding in perspective as follows:

If Airbnb's growth rate in 2015, 24%, continues for the next three years, assuming constant mean rents and total number of housing units, Boston's mean asking rents in January 2019 would be as much as \$178 per month higher than in the absence of Airbnb activity. We further find evidence that Airbnb is increasing asking rents through its suppression of the supply of rental units offered for rent. Specifically, a one standard deviation increase in Airbnb listings [an average of 12 units per census tract] relative to total housing units is correlated with a 5.9% decrease in the number of rental units offered for rent. (Merante and Horn 2016)

Barron, Kung, and Proserpio (2018) undertake a similar exercise with different data. They create a data set that combines Airbnb listings, home prices and rents from the online real estate firm Zillow, and time-varying ZIP code characteristics (like median household income and population) from the American Community Survey (ACS). To account for the fact that rents and Airbnb listings might move together even if there is no causal relationship (for example, if both are driven by the rising popularity of a given city), they construct an instrumental variable to identify the causal effect of rising Airbnb listings on rents. Using this instrument, they find that a 10 percent increase in Airbnb listings in a ZIP code leads to a 0.42 percent increase in ZIP code rental prices and a 0.76 percent increase in house prices. They also find that the increase in rents is larger in ZIP codes with a larger share of nonowner-occupied housing. Finally, like Merante and Horn, they find evidence that Airbnb listings are correlated with a rise in landlords shifting away from long-term and toward short-term rental operations.

Sheppard and Udell (2018) also undertake a similar exercise, looking within neighborhoods of New York City. Their key finding is that a doubling of Airbnb activity within a tight geographic zone surrounding a home sale is associated with a 6 to 11 percent increase in sales prices. Their coefficient values are quite close to those from Barron, Kung, and Proserpio (2018).<sup>11</sup>

Wachsmuth et al. (2018) apply the regression results identified by Barron, Kung, and Proserpio (2018) to the large increase in Airbnb rentals in New York City. They find a 1.4 percent increase in NYC rents from 2015 to 2017 due to Airbnb's expansion in that city. For the median NYC renter, this implies a \$384 annual increase in rent from 2015 to 2017 due to Airbnb's expansion over that time.

## **Potential cost two: Local government tax collections fall**

For the localities making policy decisions regarding the expansion of Airbnb, perhaps the single biggest consideration is fiscal. Across the United States, total lodging taxes are significant: For the 150 largest cities, the all-in lodging tax rate (including state, county, and



city taxes) averaged more than 13 percent (Hazinski, Davis, and Kremer 2018). The temptation for any given locality to set relatively high lodging tax rates (particularly when compared with overall sales tax rates) seems clear—city residents pay little of the lodging tax but still enjoy the benefits funded by the tax. For a number of cities, the total revenue collected is substantial. In 2016, for example, New York City and Las Vegas each collected well over \$500 million in lodging taxes, and San Francisco collected just under \$400 million.

It seems odd to exclude Airbnb stays from the lodging tax, yet the tax treatment of Airbnb rentals is inconsistent and incomplete. The company has entered into a number of tax agreements with state and local governments and is clearly trying to build the impression that it wants to help these governments collect taxes. Yet a number of tax experts argue that Airbnb's efforts to collect and remit lodging taxes (as well as other taxes) have been wholly insufficient.

A description in Schiller and Davis 2017 of the state of Airbnb's tax agreements as of early 2017 highlights the patchy, voluntary nature of the tax regime that Airbnb faces:

Airbnb, whose operations in some instances may violate traditional local zoning and rental ordinances, has sought to legitimize its business by negotiating agreements with cities under which it will collect local sales and lodging taxes. "Working together, platforms like Airbnb can help governments collect millions of dollars in hotel and tourist tax revenue at little cost to them," the company stated in a "policy tool chest" it offered in late 2016.

Overall, by Airbnb's count, the company is collecting sales, hotel, or other taxes in 26 states and the District of Columbia (DC) as of March 1, 2017. State-level taxes are collected in 18 of those states. Among this group, some or all local-level taxes are also being collected in every state except Connecticut, which lacks local lodging taxes. In the remaining eight states, Airbnb collects a patchwork of local taxes but no state taxes. In three states—Alaska, Maryland, and New Jersey—Airbnb's tax collection is limited to a single locality (Anchorage, Montgomery County, and Jersey City, respectively). The company has dramatically expanded its tax collection practices in recent years and appears poised to continue its expansion in the months and years ahead. Airbnb recently announced that it will soon begin collecting state lodging taxes in Maine, for instance.

Dan Bucks, a former director of the Montana Department of Revenue and former executive director of the Multistate Tax Commission, wrote a report assessing the tax agreements that Airbnb has struck with state and local governments in different parts of the country. His central finding is that these agreements "[undermine] tax fairness, transparency, and the rule of law" (Bucks 2017).

Bucks examines 12 of the Airbnb tax agreements from across the country that had been made public by mid-2017. He describes them as follows:

Airbnb devises and presents to tax agencies what are typically ten to twelve-page documents covering back-tax forgiveness, prospective payments, information

access and multiple other terms that produce, as this report documents, serious negative consequences for society. Airbnb labels these documents as “voluntary collection agreements,” which they most assuredly are not. These Airbnb-drafted documents do not guarantee the proper collection of taxes due. They block tax agencies from verifying the accuracy of Airbnb payments. Airbnb may be seeking to superficially to liken these documents to the high quality “voluntary disclosure agreements” that states use to bring non-compliant taxpayers into full conformity with the law. However, these documents profoundly undermine sound tax administration and the rule of law. For these and other reasons detailed below, we will not use Airbnb’s misleading label for these documents but will refer to them objectively as “Airbnb agreements.” (Bucks 2017)

The most specific criticism Bucks makes is that these agreements have largely been kept secret from the public, in clear contrast to other “voluntary disclosure agreements.” This secrecy, combined with agreements to “cede substantial control of the payment and audit processes to Airbnb,” make it impossible for tax authorities to ensure proper payment of lodging taxes. Bucks also argues that these agreements between Airbnb and state and local governments provide large benefits to third parties (Airbnb hosts) who are not signatories and are not obligated to provide anything in exchange for these benefits.

In 2016, an analysis from AlltheRooms.com forecast that Airbnb’s failure to ensure the full payment of lodging taxes was on track to cost subnational governments a combined \$440 million in revenue unless policymakers moved to guarantee proper payment. Of the total, \$110 million in lost revenue was for New York City alone. In October 2016, shortly after the AlltheRooms.com analysis was released, New York City passed restrictions on Airbnb advertisements for rentals of less than 30 days when an owner is not present. While these restrictions may have stemmed the loss of revenue relative to the AlltheRooms.com projection, the analysis that predated the restrictions highlight how the unregulated expansion of Airbnb, and its cannibalization of traditional hotel business market share, could still have large fiscal implications for New York and other cities.

Finally, even if Airbnb were to fully comply with the local jurisdiction’s tax system on lodgings and pay the same tax rate per dollar earned as traditional hotels, there likely would still be some small fiscal losses stemming from Airbnb’s expansion. The primary appeal of Airbnb to most travelers is lower-price accommodations, so even if the same tax rate were paid on Airbnb rentals as is paid on hotel rooms, the lower Airbnb prices would lead to less tax revenue accruing to local governments.

## **Potential cost three: Externalities inflicted on neighbors**

When owners do not reside in their residential property, this can lead to externalities imposed on the property’s neighbors. If absentee owners, for example, do not face the cost of noise or stress on the neighborhood’s infrastructure (capacity for garbage pickup, for example), then they will have less incentive to make sure that their renters are respectful of neighbors or to prevent an excessive number of people from occupying their

property.

These externalities could be worse when the renters in question are short term. Long-term renters really do have some incentive to care about the neighborhood's long-run comity and infrastructure, whereas short-term renters may have little to no such incentive. Further, some Airbnb hosts are renters themselves who are subletting a long-term rental property to short-term travelers, which may further shield the ultimate property owners from bearing the costs faced by immediate neighbors. In cities where the spread of Airbnb has become a political issue, hundreds (if not thousands) of complaints have been made in this regard.<sup>12</sup>

The potential for such externalities has been broadly recognized for a long time and was a consideration leading to the prevalence of zoning laws that ban short-term travel accommodations in residential neighborhoods. There is a reason, for example, why Times Square in New York City is a cluster of hotels while the Upper East Side is largely a less noisy cluster of residential dwellings. There is of course no reason why such past zoning decisions need to be completely sacrosanct and never changed, but these decisions were made for a reason, and changes to them should be subject to democratic debate.

While researchers have often noted the possibility that Airbnb may impose externalities on the communities surrounding Airbnb units, we know of no empirical estimates of these externalities. If these externalities were powerful enough in degrading the desirability of neighborhoods, they could in theory lead to reduced rents and home prices. From the evidence of the previous section, we know that Airbnb adoption in neighborhoods has actually boosted rental and home prices. But this price boost doesn't mean these externalities don't exist—it simply means that price-depressing externalities are offset by the supply effect of moving properties out of the long-term rental market.

Miller (2016) makes an interesting (if likely too abstract) policy proposal for dealing with the externalities associated with home rental via Airbnb. He proposes creating a market in “transferable sharing rights,” in which, for example, each resident of a neighborhood would be given the right to rent out one housing unit for one night. Most residents in a neighborhood won't want to rent out their home. But those who do want to rent out units using Airbnb would want far more than the right to rent out these properties for just one night. To obtain the right to rent out their properties for more nights, they would need to purchase permits from their neighbors. The price it takes to obtain these permits would provide a good indicator of the true costs of the externalities imposed by Airbnb. A city that experimented with these tradeable sharing rights could provide very useful information.

## **Potential cost four: Job quantity and quality could suffer**

We have noted already that when Airbnb enters and expands in a city, it shifts traveler business from hotels to Airbnb, leading to downward price pressure for hotels. This shift from traditional hotels to Airbnb properties also implies either a shift in jobs or a reduction



in jobs. As an example, take hotel cleaning workers. As more visitors to a city pick Airbnb units over traditional hotel accommodations, the need for cleaning doesn't go away. Instead, it is either foisted on Airbnb proprietors, done by third-party cleaning services, or left unmet and thus implicitly imposing costs on both travelers and the surrounding neighborhood (think of improperly disposed-of trash).

Given that much of the growth of Airbnb in recent years has been driven by hosts with multiple properties (which, when in a single location, are in effect mini hotels), it is not surprising to see an emergence of cleaning services specifically serving Airbnb hosts.<sup>13</sup> These new cleaning services may be less likely to offer decent wages relative to traditional travel lodging; it may also be more difficult for workers to unionize in this context. For example, in the 10 U.S. cities with a particularly large Airbnb presence (including New York City, Los Angeles, and Chicago), combined unionization rates for maids and cleaners in the hotel industry are nearly double the unionization rates of maids and cleaners in other industries in the economy.<sup>14</sup>

In some sense, the shift in cleaning jobs from traditional hotels to cleaning services for Airbnb hosts is likely analogous in its economic effects to what happens when traditional hotels outsource their own cleaning staffs. Dube and Kaplan (2010) demonstrate large negative wage effects stemming from this type of domestic outsourcing for janitors and security guards. Their findings are reinforced by recent analysis of the German labor market by Goldschmidt and Schmieder (2017), who find similar large negative effects of domestic outsourcing on a range of occupations, including cleaners. While these studies do not directly examine the effect of substituting in-house hotel cleaning jobs for Airbnb cleaning jobs, they both track the effect of “fissuring” between the entity that uses and pays for the service and the entity that manages the service providers. This fissuring has been a key and troubling feature of the American labor market in recent decades, and it is hard to see how the substitution of Airbnb for traditional hotels does not potentially constitute another layer of this fissuring.<sup>15</sup>

This potential for Airbnb to degrade the quality of cleaning jobs is recognized even by the company itself: Airbnb offers hosts the opportunity to advertise that they have taken the “living wage pledge” by committing to pay a living wage to the cleaners and servicers of their properties. It is not clear how commitment to this pledge is (or can be) enforced, however.

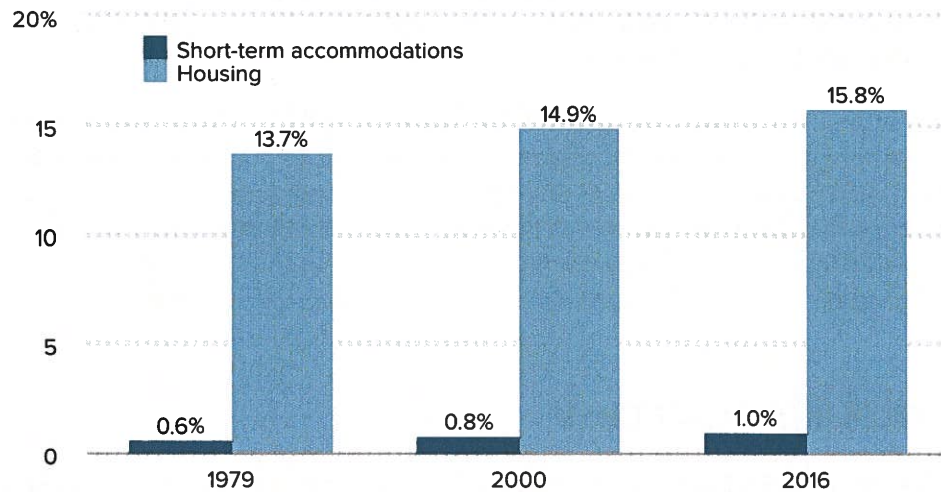
## **Conclusion: Airbnb should have to play by the same rules as other lodging providers**

The current policy debates sparked by the rise of Airbnb have largely concerned tax collections and the emergence of “mini hotels” in residential neighborhoods. At its inception, Airbnb advertised itself as a way for homeowners (or long-term renters) to rent out a room in their primary residence, or as a way for people to rent out their dwellings for

Figure E

## Housing costs matter much more to household budgets than short-term lodging costs

Shares of average household personal consumption expenditures devoted to housing vs. short-term travel accommodations, 1979, 2000, and 2016



**Note:** The housing price index includes both long-term rentals as well as imputed rents for owner-occupied housing.

**Source:** Author's analysis of Bureau of Economic Analysis National Income and Product Accounts (NIPA) Table 2.5.5

**Economic Policy Institute**

short periods while they themselves are traveling. However, in recent years Airbnb listings and revenues have become dominated by “multi-unit” renters—absentee property owners with multiple dwellings who are essentially running small-scale lodging companies on an ongoing basis.

This evolution of Airbnb into a parallel hotel industry raises questions about the preferential treatment afforded to this rental company. These questions include, “Why isn’t Airbnb required to ensure that lodging taxes are collected, as traditional hotels are?” And, “Why is Airbnb allowed to offer short-term rentals in residential neighborhoods that are not zoned for these uses, while traditional hotels are not allowed in these same neighborhoods?”

While there are plenty of other considerations, the spread of Airbnb seems at its core to be a shift of potential housing supply from the long-term residential housing market to the market for short-term accommodations. This shift of supply can lower prices for travelers but raise housing prices for long-term residents. This seems like a bad trade-off, simply based on the share of long-term housing expenses versus short-term travel expenses in average family budgets. **Figure E** presents the share of total personal consumption expenditures accounted for by housing and by short-term travel accommodations. As the figure shows, housing costs eat up far more of the average household’s budget, and rising housing prices mean that long-term housing has grown more as a share of family budgets

than short-term travel accommodations.

This rising cost of housing has become a major economic stress for many American households. Anything that threatens to exacerbate this stress should face close scrutiny. A reasonable reading of the available evidence suggests that the costs imposed on renters' budgets by Airbnb expansion substantially exceed the benefits to travelers. It is far from clear that any other benefits stemming from the expansion of Airbnb could swamp the costs it imposes on renters' budgets.

There may be plenty wrong with the status quo in cities' zoning decisions. But the proper way to improve local zoning laws is not to simply let well-funded corporations ignore the status quo and do what they want. As this report shows, there is little evidence that the net benefit of accelerated Airbnb expansion is large enough to justify overturning previous considerations that led to the regulatory status quo—in fact, the costs of further Airbnb expansion seem likely to be at least as large, if not larger, than the benefits.

## About the author

**Josh Bivens** joined the Economic Policy Institute in 2002 and is currently EPI's director of research. His primary areas of research include macroeconomics, social insurance, and globalization. He has authored or co-authored three books (including *The State of Working America, 12th Edition*) while working at EPI, has edited another, and has written numerous research papers, including for academic journals. He appears often in media outlets to offer economic commentary and has testified several times before the U.S. Congress. He earned his Ph.D. from The New School for Social Research.

Appendix  
Table 1

## Distribution of housing wealth (primary and nonprimary), by household characteristics

	1989	1998	2007	2016	1989–2016 change
<i>Primary residence</i>					
<i>Bottom 50 percent</i>	9.8%	14.3%	12.7%	10.4%	0.7%
<i>Bottom 80 percent</i>	45.4%	47.5%	44.0%	40.0%	-5.4%
<i>Top 20 percent</i>	54.6%	52.5%	56.0%	60.0%	5.4%
<i>80th–90th percentile</i>	19.9%	17.9%	17.5%	18.6%	-1.3%
<i>90th–95th percentile</i>	12.6%	11.6%	11.0%	13.9%	1.3%
<i>96th–99th percentile</i>	15.6%	15.0%	18.2%	16.8%	1.2%
<i>Top 1 percent</i>	6.5%	8.0%	9.3%	10.7%	4.3%
<i>Nonprimary residential property</i>					
<i>Bottom 50 percent</i>	2.6%	4.3%	2.2%	1.6%	-1.0%
<i>Bottom 80 percent</i>	16.8%	18.1%	13.9%	9.9%	-6.9%
<i>Top 20 percent</i>	83.2%	81.9%	86.1%	90.1%	6.9%
<i>80th–90th percentile</i>	15.2%	16.8%	10.7%	12.6%	-2.7%
<i>90th–95th percentile</i>	20.6%	15.5%	13.9%	14.9%	-5.7%
<i>96th–99th percentile</i>	28.7%	28.7%	34.0%	29.6%	0.9%
<i>Top 1 percent</i>	18.6%	21.0%	27.5%	32.9%	14.3%
<i>Primary residence</i>					
<i>White, non-Hispanic</i>	86.4%	87.5%	82.6%	80.6%	-5.9%
<i>Black, non-Hispanic</i>	4.9%	5.0%	6.2%	6.5%	1.6%
<i>Hispanic, any race</i>	4.1%	3.7%	6.1%	6.0%	2.0%
<i>Other</i>	4.6%	3.7%	5.1%	6.9%	2.3%
<i>Nonprimary residential property</i>					
<i>White, non-Hispanic</i>	87.3%	89.5%	84.2%	86.2%	-1.1%
<i>Black, non-Hispanic</i>	4.3%	4.1%	4.1%	5.0%	0.7%
<i>Hispanic, any race</i>	3.1%	3.4%	6.7%	3.6%	0.5%
<i>Other</i>	5.3%	3.0%	5.0%	5.2%	-0.1%

**Note:** Per the Survey of Consumer Finances definitions, primary housing wealth is the total value of the primary residence of a household. Nonprimary housing wealth includes the value of all of other residential real estate owned by the household, including one-to-four family structures, timeshares, and vacation homes.

**Source:** Author's analysis of microdata from the Federal Reserve Board Survey of Consumer Finances (2016)

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# Endnotes

1. According to a recent report, “a significant—and rapidly growing—portion of Airbnb’s revenue in major U.S. cities is driven by commercial operators who rent out more than one residential property to short-term visitors” (CBRE 2017).
2. Horton and Zeckhauser (2016) provide a deep dive into the economics of internet-based service firms. Slee (2017) provides an excellent popularization of some of the economic issues surrounding IBSFs from a deeply critical perspective.
3. The most obvious benefit to living in housing that one owns is the tax treatment of mortgage interest payments on owner-occupied property, which can be deducted from federal taxes. Another benefit is that the implicit rental income earned by owner-occupiers is not taxed (the money that owner-occupiers are saving by not having to pay rent elsewhere could be viewed as implicit rental income).
4. Wachsmuth et al. (2018), for example, find that just under half of Airbnb listings in New York City had likely taken illegal reservations.
5. “Arrivals” is a term referring to each stay in a unit, regardless of length of stay.
6. For example, Molla (2017) highlights more recent forecasts for 2017 indicating a large slowdown in U.S. Airbnb expansion.
7. The range of 2 to 4 percent represents the range of findings across 2015, 2016, and 2017. The value was 4 percent in 2015, 2 percent in 2016, and 3 percent in 2017.
8. The arithmetic on this is relatively straightforward. The NERA 2017 study asserts that Airbnb supports \$14 billion in spending and 130,000 jobs in the United States. This implies each \$107,690 supports a job. Say that half of this spending is the direct cost of accommodations and that it represents a pure expenditure shift away from traditional hotels. Assume further that traditional hotels are 5 percent more labor-intensive—so each traditional hotel job is supported by \$102,300 in spending (5 percent less than the ratio identified by Airbnb). This shift from traditional hotels to Airbnb hence reduces employment by 3,400 jobs for each \$7 billion in spending. Even if overall spending were to rise by 2 percent due to Airbnb’s expansion, this would increase employment by only roughly 2,600 jobs. The key insight here is that once one allows Airbnb to substitute for other forms of accommodation, the link between output and employment might change significantly.
9. Airbnb itself has commissioned and reported on a number of studies claiming that the share of guests who would not have taken the trip absent Airbnb is as high as 30 percent. Even this number is far larger than the independent assessments of Guttentag (2016) and Morgan Stanley Research (2017), but it does highlight just how outlandish the NERA assumption on this is.
10. In a review of housing markets, Albouy, Ehrlich, and Liu (2016) note that “Housing demand is income and price inelastic.”
11. The geographic unit implicitly being examined by Sheppard and Udell (2018) is not intuitive. Their observation is an individual home sale. They then track Airbnb listings within five different radii of the sale: 150, 300, 500, 1,000, and 2,000 meters. They interact the number of Airbnb listings with categorical variables for each of the five “buffer zones” defined by the radii and use this as an explanatory variable predicting sales prices.

12. See Office of New York State Attorney General 2014.
13. Lawler (2014) notes that Airbnb was testing out dedicated cleaning services for its hosts as early as 2014.
14. Unionization rates derive from the author's analysis of data pooled from 2008–2017 from the Outgoing Rotation Groups (ORG) of the Current Population Survey (CPS). Code and results are available upon request. The 10 cities are Boston, Chicago, Los Angeles, Las Vegas, Miami, New York City, San Diego, San Francisco, Seattle, and Washington, D.C. In these 10 cities, the unionization rate for maids and cleaners was 23.2 percent in the traveler accommodation industry, but 12.1 percent in all other industries.
15. See Weil 2017 for an overview of labor market fissuring.

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## **Errata**

This report was updated March 26, 2019, to correct errors in the “Bottom 50 percent” rows in Appendix Table 1. These rows had incorrectly shown the numbers for the top 50 percent instead of for the bottom 50 percent.



## Brandy McMahon

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**From:** Wendy Wood <wendy@seattlegreenhomes.net>  
**Sent:** Monday, September 09, 2019 9:20 AM  
**To:** letters@nytimes.com  
**Subject:** Help! There is a Bear in my Airbnb  
  
**Importance:** High

Letter to the Editor:

We in Tahoe, residents of Placer, Washoe, El Dorado and Douglas Counties are plagued with problem term rentals (STRs) that are way out of control with absolutely no supervision or enforcement from our Counties. They collect well over \$30M in rental tax and do nothing to educate the naive public re how to behave in nature, cudos to Ann Bryant.

Lets be clear that Lake Tahoe is one of our country's most unique areas and it is way too over run by those who want to exploit it for their own personal gain. Many of our STRs are owned by remote LLCs who are in it for only the profit. Overloaded old cabins, dangerous absence of management or owner and pure neglect by the respective Counties who are responsible, the Counties only focus on the \$\$\$.

Many STRs are managed well but more and more, there are those who recognize the failure of local gov't to step in and do their job. These are the devastating cases, Ann will continue get busier and busier.

Wendy Wood  
Lake Tahoe, CA

## The New York Times

Q. AND A.

### Help! There's a Bear in My Airbnb

Lake Tahoe is home to some 300 bears in the summer, and cabins, campgrounds and cars often experience nightly Goldilocks-style break-ins. Time to call the Bear Lady.

By Rachel Levin

Sept. 7, 2019

Ann Bryant's phone rings all season long. She has four phones, actually, in her Homewood, Calif., home office, and they ring 24 hours a day. "Sometimes all at once," says the executive director of the Bear League, a community-based nonprofit that aims to educate the human public about their animal neighbors. Its tagline: "People living in harmony with bears."

The thing is, though, people and bears are living not so harmoniously these days — which is why Bryant is busy. She operates what is basically a 911 service for people's bear-related emergencies.

And in Lake Tahoe, people have a lot of bear-related emergencies. Home to some 300 bears in the summer months, the popular vacation area swells with second-homeowners and car-campers and Airbnb-ers, many of whom do not always understand the proper protocol for visiting bear country.

"Fifty percent of the time we coach idiots," says Bryant. "I could tell you crazy stories all day."

#### Tell me.

There was the guy who left a trail of cookies in his yard, leading into his living room, because he thought it would be fun to get a picture of a bear eating cookies on his couch watching TV. We had a father at a campground who put peanut butter on his child's face then stood him next to a dumpster filled with food, and waited for a bear to come and lick it off so he could get a photograph of the bear "kissing" his kid. That sent us reeling. Another father, of an 8-year-old, put food in his daughter's hand, then filmed her feeding a bear, like it was a dog. Bears are not dogs.

#### Was anyone hurt?

Shockingly no, but the parents should have gone to jail for endangering a child, and a bear. We don't want people to get hurt, but we also don't want bears to get hurt.

#### Why do people want bear pictures so badly?

People don't understand. They have a city mentality; they've grown so out of touch with the natural world. They come up here and they think it's a controlled environment. Like a zoo. I've gotten calls from tourists asking: "What time do the bears come out?" Or, "Where can we go to see the bears?" Or they'll say, "I just saw a bear in the woods behind our rental cabin. You need to come get it, and put it back in its crate." I have to tell them: These are wild bears, and they've lived here long before we did. This is their home, too.

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#### What do most renters do wrong?

People leave dinner on the deck and trash cans in the driveway. So the bears come. Then those people leave, but the bear keeps coming back, because the previous guests fed him for the last four days! People come here to hike and water ski and have fun and they just don't think about it. They go off to the beach and leave the door ajar, or a window open, and then they come home — or wake up — to a bear eating everything in the kitchen. They might remember to put the garbage in the bear bin, but then they'll forget to lock their car. We had a big rampage recently of bears getting into unlocked cars. All it takes is a pack of gum in the console. A bear can open a door, like a human. Then the wind blows it shut, the bear gets stuck inside, and the car gets destroyed. Visitors might learn by the end of the week, but then they go home, and the new renters arrive. It's an endless cycle of ignorance.

## What can homeowners do to better secure their homes?

Bird feeders are the biggest culprits. Get rid of the bird feeder. If you feed the birds, you're feeding the bears. A lot of older cabins are nothing more than cardboard boxes with single-pane windows. You need double-pane windows, solid doors, electric doormats — otherwise known as “unwelcome mats.”

## Is the problem getting worse?

It gets busier every summer. When I first started the Bear League 20 years ago, we'd get about five calls a day. Today, we get about 200 calls a day. People panicking — “A bear keeps coming into my backyard!” — and they don't know what to do.

Or they'll hear noises in their house and think it's a bear. Or sometimes they're upstairs sleeping and don't realize until morning that a bear broke in. Bears break in to homes around the Tahoe Basin every single night.

## When people call you for help, what do you do?

I'll head right over and check out the scene. If we get a case where there's a bear on the premises and it won't leave, it's usually because it's a mama with cubs. I'll go and get everyone away, so she can get her cubs down from the tree safely. If there's a bear under a deck, I'll crawl under there to see what's going on. Sometimes I'll use a paintball gun to scare them off.

## Do you get scared?

No, it's the bears who are scared. I can read a bear's mood, its body language and facial expressions. I know what a bear is thinking. I was a wildlife rehabber. I've dealt with all kinds of wildlife. Raccoons, squirrels, whatever animals are native. An injured pregnant porcupine once needed my help. I've raised Maude (pictured), since birth. She was born in my living room.

## What if you can't get there?

I can't be everywhere! I have people, wildlife lovers all around the lake, who are trained to help. But if you see a bear on your deck, or hear noises and think there's one in your house, just stomp and yell and bang. As soon as you do, the bear usually leaves. Black bears are big chickens. They're really easy to chase off — just don't get in their way.

This interview was edited and condensed for clarity.

Rachel Levin is a contributor to the Travel section and the author of “LOOK BIG: And Other Tips for Surviving Animal Encounters of All Kinds.”

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A version of this article appears in print on Sept. 7, 2019, Section TR, Page 2 of the New York edition with the headline: Help! There's a Bear in My Airbnb

## Brandy McMahon

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**From:** Wendy Wood <wendy@seattlegreenhomes.net>  
**Sent:** Monday, September 09, 2019 9:07 AM  
**To:** Brandy McMahon  
**Cc:** Cindy.Gustafson; Gary Spohr; Teri Ivaldi; Scott Bergenstock; jkirkpat@placer.ca.gov; Doug Jastrow; Bill Wright; Jennifer Merchant; Michele Serda; Todd Leopold  
**Subject:** Emailing: Tahoe made the NYTimes yesterday re Airbnb  
**Attachments:** Tahoe made the NYTimes yesterday re Airbnb.pdf  
**Importance:** High

Hello Brandy,

Would you pls print this article out for the Oct. 9 TRPA Neighborhood Compliance Meeting and include it in the doc distribution??

We understood that Doug Jastrow did originate a help line using Host Compliance but we have heard nothing to date re enforcement, rules, occupancy limits etc. What is going on Doug??

The problem STR above us, 3010 Electric St still rents to 16+ Sunnyside J1 visa workers, 3 bdrs, 3 baths. The deck is still demolished, the entire cabin should have been red tagged. Sunnyside needed cheap labor, Alamo Investments needed rental income and we have to play onsite managers to very noisy young adults in the wee hours coming back from work. And the Placer County prop tax assessor plays like there is nothing odd about the rampant, abusive low budget hotels that plague permanent residents, destroy neighborhoods. They want their \$\$\$, no matter what the circumstances.

There is no 24/7 management re the 3010 LLC, Mark Kackley seems to have vanished from the Talmont area and 3010. He also has some problems in Danville on flips he did so he may be permanently MIA.

I just served the managing member of 3010, Clayton Wallace, who lives in Windsor, CA and Vancouver, WA with TSCC papers, court appearance to be Oct. 4 for expenses for last year's trash service (3010 had none) and snow removal. I have sent him the common invoice for snow removal this year with no response. CA Code section 845 requires that 3010 pay common area snow removal.

Doug, maybe you can contact Mr. Wallace and inquire what he intends to do when the J1s finally leave, hopefully very soon. His phone contact is in the docs I have sent your previously. Or revoke their STR cert permanently.

Wendy Wood  
wendy@seattlegreenhomes.net

p 530.559.2971  
f 530.581.2757  
w seattlegreenhomes.net

12825 60th Lane South,  
Seattle, WA 98178

Your message is ready to be sent with the following file or link attachments:

Tahoe made the NYTimes yesterday re Airbnb

Note: To protect against computer viruses, e-mail programs may prevent sending or receiving certain types of file attachments. Check your e-mail security settings to determine how attachments are handled.

## Brandy McMahon

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**From:** Gary Spohr <gary@seattlegreenhomes.net>  
**Sent:** Monday, September 09, 2019 10:30 AM  
**To:** Brandy McMahon  
**Cc:** Cindy.Gustafson; Steve Pedretti; tleopold@placer.ca.gov; Gary Spohr  
**Subject:** FW: Emailing: Tahoe made the NYTimes yesterday re Airbnb  
**Attachments:** Tahoe made the NYTimes yesterday re Airbnb.pdf; NYT September 9, 2019 'Bear League Article'.pdf

**Importance:** High

Good morning Brandy, sorry to bother you again. I am piggy backing on what Wendy sent.

We would like to invite Ann Bryant from the 'Bear League' to the October 9 meeting. She is very knowledge about bears and very concerned about our Lake Tahoe area bears.

She can talk to the many issue, that she also discussed in the article, with bears around the lake. The normal bear situation has become highly aggravated by the unusually high number of uninformed STR's and the trash they create. They do not realize that creating a huge volume of trash and leaving it outside the home causing bear problem and break ins, both during there visit and in the future at that same house.

She has helped us find vendors to install bear security measures. When a mother bear and a cub broke down our front door and ate all our ice cream, true story!!! The 2 half gallon of ice cream cost \$3.00 but the door repair was \$1.000.

Let me know, thank you.

-----Original Message-----

From: Wendy Wood <wendy@seattlegreenhomes.net> y  
Sent: Monday, September 09, 2019 9:07 AM  
To: Brandy McMahon <bmcMahon@trpa.org>  
Cc: Cindy Gustafson <cindygustafson@placer.ca.gov>; Gary Spohr <gary@seattlegreenhomes.net>; Teri Ivaldi <tivaldi@placer.ca.gov>; Scott Bergenstock <SBergens@placer.ca.gov>; jkirkpat@placer.ca.gov; Doug Jastrow <DWJastro@placer.ca.gov>; Bill Wright <billofwrights@sbcglobal.net>; Jennifer Merchant <JMerchan@placer.ca.gov>; Michele Serda <MSerda@placer.ca.gov>; Todd Leopold <TLeopold@placer.ca.gov>  
Subject: Emailing: Tahoe made the NYTimes yesterday re Airbnb  
Importance: High

Hello Brandy,

Would you pls print this article out for the Oct. 9 TRPA Neighborhood Compliance Meeting and include it in the doc distribution??

We understood that Doug Jastrow did originate a help line using Host Compliance but we have heard nothing to date re enforcement, rules, occupancy limits etc. What is going on Doug??

The problem STR above us, 3010 Electric St still rents to 16+ Sunnyside J1 visa workers, 3 bdrs, 3 baths. The deck is still demolished, the entire cabin should have been red tagged. Sunnyside needed cheap labor, Alamo Investments needed rental income and we have to play onsite managers to very noisy young adults in the wee hours coming back from work.



And the Placer County prop tax assessor plays like there is nothing odd about the rampant, abusive low budget hotels that plague permanent residents, destroy neighborhoods. They want their \$\$\$, no matter what the circumstances.

There is no 24/7 management re the 3010 LLC, Mark Kackley seems to have vanished from the Talmont area and 3010. He also has some problems in Danville on flips he did so he may be permanently MIA.

I just served the managing member of 3010, Clayton Wallace, who lives in Windsor, CA and Vancouver, WA with TSCC papers, court appearance to be Oct. 4 for expenses for last year's trash service (3010 had none) and snow removal. I have sent him the common invoice for snow removal this year with no response. CA Code section 845 requires that 3010 pay common area snow removal.

Doug, maybe you can contact Mr. Wallace and inquire what he intends to do when the J1s finally leave, hopefully very soon. His phone contact is in the docs I have sent your previously. Or revoke their STR cert permanently.

Wendy Wood  
wendy@seattlegreenhomes.net

p 530.559.2971  
f 530.581.2757  
w seattlegreenhomes.net

12825 60th Lane South,  
Seattle, WA 98178

Your message is ready to be sent with the following file or link attachments:

Tahoe made the NYTimes yesterday re Airbnb

Note: To protect against computer viruses, e-mail programs may prevent sending or receiving certain types of file attachments. Check your e-mail security settings to determine how attachments are handled.

## **Placer County Input: Proposed TRPA “Neighborhood Compatibility” code amendments**

### **OK to add:**

- #1 OK with addition of adjacency to (1/4 mi.?) to beaches, trailheads, recreation facilities, or those directly adjacent to Town Centers or commercial areas
- #12 consider adding an option with 120 days
- Track locations within ¼ mile of transit
- If excess of three complaints per year, revoke permit and invoke 1 or more year waiting period prior to reapplication
- Charge additional permit fee for rentals with 6+ bedrooms
- Undertake planning and funding efforts to achieve on-demand transit service in residential areas outside Town Centers
- Double points scored when transit increases are implemented
- Limit parking to off-street only unless a parking plan is submitted and permitted\*
- Limit occupancy to no more than two persons per bedroom, plus two\*
- Waive 50%\*\* of permit fees within Town Centers
- Consider TRPA *ONLY* engaging in regulation outside Town Centers *and* outside commercial zoning
- Local jurisdictions to provide bi-annual summary of steps taken to implement the Regional Plan in areas of:
  - Compact development
  - Mixed use (including recreation uses)
  - Program of incentives for infill development in Town Centers
  - Transportation and mobility programs and projects implemented

\*Does not apply to commercial short-term rentals

\*\* Willing to discuss this concept and appropriate percentage

## Brandy McMahon

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**From:** Mullin, Kelly <KMullin@washoecounty.us>  
**Sent:** Wednesday, September 18, 2019 5:00 PM  
**To:** Brandy McMahon; John Hester  
**Cc:** Berkbigler, Marsha  
**Subject:** RE: Draft STR Neighborhood Compatibility Guidelines

Brandy and John,

Thank you for the opportunity to review the updated draft proposal. Washoe County will continue to work on our STR program with this draft guidance in mind. We are confident that at this time our currently proposed operational and enforcement standards will meet the requirements and believe that those are the key to successful implementation of a short-term rental program. The County is working through best practices related to the location criteria and the incentives that may be used to assist the goals of TRPA with regards to locations within town centers, designated tourist lodging and commercial areas as well as alternative transportation proximity. As discussed at the last working group meeting, the County is currently in the process of establishing standards for STRs and is conducting significant research and public outreach as part of those efforts. Those efforts are focused largely on identifying and mitigating specific impacts of STRs. The County's current position is that neighborhood compatibility is best addressed through operational and enforcement parameters.

Again we appreciate the opportunity to review the draft proposal, and while we continue to be concerned about the location criteria, we will review options that may be appropriate to meet each of our entity's needs.

If you have any questions about the County's position on these matters, please let me know.

Regards,



Kelly Mullin, AICP  
Senior Planner | Planning & Building Division | Community Services Department  
[kmullin@washoecounty.us](mailto:kmullin@washoecounty.us) | Office: 775.328.3608 | Fax: 775.328.6133  
1001 E. Ninth St., Reno, NV 89512



## Brandy McMahon

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**From:** cbwillb@charter.net  
**Sent:** Thursday, September 19, 2019 1:01 PM  
**To:** Brandy McMahon  
**Subject:** Feedback on Neighborhood Compatibility Materials  
**Attachments:** Recommended edits to TRPA Neighborhood Compatibility items 9.17.pdf; Sample STR code excerpts.pdf

Brandy,

I was about to send you some proposed edits for the Neighborhood Compatibility items yesterday when your email and accompanying packet appeared. It appears that you and colleagues have been very busy - your hard work is very much appreciated!

I have reviewed the new materials and edited the recommendations - the revised up-to-date version is attached. The table has become a bit complicated, but actually distills into a few themes:

1. Two high priority areas where I believe edits are critical: Transportation/Land Use #3 and Health/Safety Inspections. The latter is listed in the grid as an "Add" - Public Accommodation, but as noted can be handled with the addition of a phrase to the Health and Safety inspection item you have already included
2. A small number of priority additions which I believe will be important/helpful and are found in ordinance elsewhere (sample attached). Since this is an options list, I am very much advocating and hoping that they can be added
3. Some wording edits and point distribution suggestions
4. Two recommendations which impact TRPA directly: Adding TRPA Special Use Permits and requiring that TRPA review and sign-off on applications/renewals before county approval. I wanted to float these now, but they may ultimately be more appropriately considered by the TRPA Governing Board

For simplicity I have included only those lines in your prior draft where I had suggestions and a few added items which I think are very important. Some items are color coded with the key indicated.

In particular the several items in the darkest shades of red are the ones which I believe are most important to add or modify to ensure public safety, protection of the environment and maintenance of the character of our neighborhoods.

Thank you for your consideration of these important items - I'll give you a call tomorrow, or feel free to call me, to answer any questions.

Regards, Carole Black (IV Resident, 617-312-8834)



Recommended Revisions to TRPA Neighborhood Compatibility List - pg 1 of 5

[illegible]



## Recommended Revisions to TRPA Neighborhood Compatibility List - pg 3 of 5

ITEM	RECOMMENDATIONS:	RATIONALE
Transportation (10 points)	Recommend: Transportation (5 points)	While important, this is secondary to the Residential Compatibility impact implications – subtracted points are re-allocated above.
<p><b>14. Only allow STRs within ¼ mile of public transit and bike/pedestrian trails and amenities (Air Quality and Noise)</b></p> <p><i>Note: the item labeled Land Use #3 in the draft released 9.17.19 has similar implications and raises similar concerns – Strongly recommend that one item in this regard is sufficient and that wording should be modified – see rationale</i></p>	<p>Recommend change wording to: Strictly limit STR parking to on site permitted number and coverage; Promote and incentivize use of and expanded access to public transit and bike/pedestrian trails (Air Quality and Noise)</p>	<p>The proposed ¼ mile limit doesn't reflect any apparent established criteria. Revised wording accomplishes the goal broadly and also addresses parking issues with STRs. <i>This element and the Land Use #3 item as written impose very significant, undue burden on a few already heavily impacted and overcrowded residential neighborhoods. In addition, the supporting logic is flawed as follows:</i> 1) There is minimal/almost no public transportation in IV and we have been told by the commissioners that no more will be added. Further, the terrain is sufficiently hilly and roadways not well lighted precluding much walking or bike use as a substitute for car trips – what works in Chicago (where I routinely walked to the grocery store and transit options abound) does not and will not work here. 2. References cited in the STR staff statement have been misinterpreted - they consider more dense housing options adjacent to commercial areas, not creating neighborhoods chockablock with defacto motels as is already happening and will accelerate with these clauses as written. The statement in the staff summary that it doesn't matter whether a unit is residential or STR is incorrect. Residential units in IV are typically not occupied 100% of the year – adding the STR use to the typical residential usage will increase actual occupancy days/year and vehicle numbers and trips will increase, not decrease. Recent IVQID survey results indicate that STR use of units owned by part-time residents (as most of the rented ones currently are) increases occupancy days/year by almost 100% - each added day brings more vehicles and vehicle trips to town. The more effective way to limit vehicle trips associated with STRs is to limit use &amp; allowed parking. I purchased in IV centrally to be able to walk/bike though this is limited by the terrain more than I had expected – I did not buy here to be surrounded by motels! The proposed language more effectively addresses the actual issues while promoting alternative travel options.</p>
30 points (max)		



Recommended Revisions to TRPA Neighborhood Compatibility List - pg 5 of 5

ITEM	RECOMMENDATIONS:	
<b>Added item &gt;&gt;&gt;&gt;&gt;&gt;&gt;&gt;&gt;&gt;&gt;&gt;</b>	<b>Recommend: Add requirement that all STR's in addition comply with Transient/Tourist Lodging, Public Accommodation requirements in applicable federal, state and county code</b>	<b>STR's are Transient/Tourist Lodging situations and thus carry associated risks. It is therefore important that these be addressed by applying applicable Public Accommodation requirements designed to protect public safety in these situations. See NRS 447.010 and 447.185. I think the health and safety inspection clause may be meant to address this component. This particular recommended language is more inclusive and in addition more likely I think to be appropriately updated as new recommendations emerge. Could you please add the wording "and comply with Public Accommodation safety requirements" to your current statement?</b>
<b>Education (10 points)</b>	<b>Recommend: Decrease to 5 points with consolidation of duplicate items to ENFORCEMENT section below</b>	<b>Eliminates duplication and maintains overall section totals as proposed</b>
<b>12. Require interior/exterior signage with permit information and regulations (Noise, Vegetation, Soils, Wildlife, Air Quality &amp; Recreation)</b>	<b>Recommend: Add emergency contact and responder contact info to signage</b>	<b>Adds important required emergency information</b>
<b>Other (10 points)</b>		
<b>21. Require a full-time certified local contact (or professional management) that is available anytime an STR is occupied (Noise, Vegetation, Soils, Wildlife, Air Quality &amp; Recreation)</b>	<b>Recommend: Add ... that is available on site within 30 min 24/7 anytime an STR is occupied. ... Also add: Require in person check-in process</b>	<b>Adds requirement for actual contact availability to address issues Suggest modifying the wording to "available on site"; Add "require in person check-in".</b>
<b>40 points (max)</b>	<b>Recommend: 45 points (max) but decreases to 40 points if section flagged above is relocated to ENFORCEMENT section where elements are duplicated</b>	
<b>Prioritized edits submitted to TRPA by Carole Black, Incline Village Resident Updated 9/17/2019</b>		

## Sample STR Code Excerpts

**Comment:** Santa Cruz County appears to handle STR permits like other permits (and similar to Special Use Permits in our area) but with a streamlined approval process; hearings only when indicated or for large STRs. Proposed actions by Planning Director/designee are noticed in advance and appeals may be requested by applicant or any member of the public (e.g., neighbors). (Note: the definition of “New” is linked to a prior ordinance from several years before - info can be found in the SCCC Chapter 13.)

Excerpt from code section (pg 4):

(2) **New Vacation Rentals.** For new applications for vacation rentals of three bedrooms or fewer, except as provided in **SCCC 18.10.124(B)**, no public hearing shall be required and action on these applications shall be by the Planning Director or designee, with notice of the proposed action provided not less than 10 calendar days before issuance of the permit, pursuant to SCCC 18.10.222(B) and (C). Appeals of the proposed action on the application may be made by the applicant or any member of the public. Pursuant to SCCC 18.10.124(B), the Planning Director may refer the application to the Zoning Administrator or Planning Commission for a public hearing. For new applications for vacation rentals consisting of four or more bedrooms, the application shall be considered at a public hearing in accordance with the public hearing procedures in Chapter 18.10 SCCC.

(a) When a public hearing is required, notice of such a public hearing shall be provided not less than 10 calendar days before the public hearing, pursuant to SCCC 18.10.223.

**Comment:** There is also a clause for dwelling units with common walls with adjacent units which would be important for ensuring neighborhood compatibility in these situations:

Applicable code section excerpt:

**Santa Cruz County Code 13.10.694 Vacation rentals.**

**Page 64**

(vi) No new vacation rental use may be permitted in a dwelling unit having a common wall or walls with another dwelling unit or units after the effective date of the ordinance amending the original vacation rental ordinance (Ordinance No. 5092, effective July 13, 2011), unless at the time of submission of the application the applicant provides a written agreement acceptable to the County and signed by all record owner(s) of the adjoining dwelling unit(s) stating that they are aware of the proposed vacation rental use and have no objection to issuance of a permit for such use. The agreement shall be binding on the parties thereto and their successors in interest for so long as the vacation rental permit for which the agreement was



## Brandy McMahon

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**From:** Ricky Lang <ricklang03@hotmail.com>  
**Sent:** Monday, September 23, 2019 7:36 PM  
**To:** Brandy McMahon  
**Subject:** Short Term Rentals Tahoe

Brandy,

I received word of the Wednesday meeting on the short term rental platform discussion in Tahoe.

My wife and I first started traveling to Tahoe in 2009, making a first trip to Tahoe - booking a cozy home along Pioneer Trail through VRBO. It was through VRBO that we were able to experience Tahoe for the first time, inspiring us to come back on multiple occasions over the next few years before deciding to purchase our own home in South Lake Tahoe in late 2012. It was through vacation rentals that our family was able to cook a traditional thanksgiving dinner for our family on multiple occasions, and host similar family functions for easter. These are experiences in Tahoe that are far less personal and intimate if attempted in a commercial hotel environment that lacks the basic housing provisions of a welcoming home. Part of the attraction to the region was obviously the scenery and outdoor activities that we all love in Tahoe - but the other huge attractor was the hospitable neighborhood environment that we found in South Lake - a welcome relief from that of our neighbors in central california at the time. Although we have purchased in a different region, we remain close with some of the neighbors we met on our early trips to tahoe - to this day, they remain ski-buddies.

Due to military commitments, we were forced to leave the local Tahoe area in the 2015 time; however, wanted to maintain the home for the pleasure of our family and kids during vacations. Given the challenges with a military salary and costs of home ownership in Tahoe - we chose to rent out our home to others through short term rental platforms, such that others may experience the love of tahoe that all of us do.

Over the last ten years, we have had a wonderful experience with tahoe vacation rentals - as both renters, and owners. It is a system that has provided many wonderful memories to our friends, and family - and keeps us coming back on a recurring visit when our schedules allow.

We realize that a few bad apples have unfortunately 'spoiled the batch' for many local inhabitants of tahoe. Our hope is that we don't let the small number of bad apples, spoil the whole batch - as then we have done the community, families, friends, and vacationers looking to experience Tahoe a disservice. We fully support provisions to continue short term rental programs in Tahoe. With that said, we also understand there have been some impacts to citizens in the local community - and support measures to ticket/fine or prohibit return of those not respectful of our Tahoe region. I know as a community we can work together to come up with a mutual solution, such that we can all continue to enjoy tahoe together - as owners, guests, hotel members, time share owners/guests, and renters on the same mountain!!

Thank you for your time,  
-Rick & Heidi Lang  
ricklang03@hotmail.com

## Brandy McMahon

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**From:** Heather Williams <heather@stanfordwealth.com>  
**Sent:** Monday, September 23, 2019 11:52 AM  
**To:** Bill Yeates; Marja Ambler; Joanne Marchetta; John Marshall; jherster@trpa.org; Brandy McMahon  
**Subject:** TRPA STR Best Practices

TO:

Bill Yates, Governing Board Chair, Board Chair, jwytrpa@gmail.com

Marja Ambler, Board Assistant, mambler@trpa.org

Joanne Marchetta, Executive Director, jmarchetta@trpa.org

John Marshall, General Counsel, jmarshall@trpa.org

John Hester, Chief Operating Officer, jherster@trpa.org

Brandy McMahon, bmcMahon@trpa.org

Dear TRPA,

My name is Heather Williams and I am a full-time resident of Incline Village, residing at 569 Len Way in Incline Village.

I understand TRPA is in process of creating guidelines to regulate STRs in the Tahoe basin. I would like to encourage you to adopt the

following mandatory regulations from your list of STR Best Practices.

The ones of particular concern and those I encourage you to mandate include:

1. requiring a full-time certified contact
2. capping an STR rental to 30 days per year.
3. occupancy limits of 2 per bedroom
4. requiring snow removal ("No....you may not borrow my snow blower!")
5. limiting the number of STRs in neighborhoods
6. using the TOT to offset the impact of STR's
7. charging commercial fees for water and sewer
8. requiring annual certification and permits
9. a website to report STR violations

10. exterior signage with the local contact information Additionally, I would like to see a change to:

1. Not ADEQUATE off street parking – NO off street parking. Our streets are too narrow, and emergency vehicles and snowplows can not get through.

2. Bear boxes should be mandatory – with instructions as to how to use them!

3. Repeated violations – no! First violation is a hefty fine (Monroe County in Florida imposes a \$15,000 fine per violation.)

Second violation results in a permanent loss of any and all STR permits.

Thank you for helping us control STRs in IVCB and preserve the lake and our residential neighborhoods.

Please include this email in the Public Record for your meeting on 9-25-19.

Best regards,

Heather Williams

## Brandy McMahon

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**From:** Marja Ambler  
**Sent:** Monday, September 23, 2019 11:50 AM  
**To:** Brandy McMahon  
**Subject:** FW: STR's in Tahoe Basin

Marja Ambler  
Management Assistant  
775-589-5287  
mambler@trpa.org

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**From:** Durian Pingree <durpingree@gmail.com>  
**Sent:** Sunday, September 22, 2019 12:57 PM  
**To:** Marja Ambler <mambler@trpa.org>; John Marshall <jmarshall@trpa.org>  
**Cc:** IV.STR.advisory.group@gmail.com  
**Subject:** STR's in Tahoe Basin

Dear Sir/Madam:

I am a full time resident of Incline Village, NV and am concerned about STR's at Tahoe.

The land use restrictions were intended to preserve the quiet residential neighborhoods.  
STR's have no place outside of areas already zoned for commercial or multi-family use.

STR's need to be licensed and regulated with penalties for failure to comply.  
Fire and Safety inspections are essential.  
Noise, occupancy, parking, garbage all need to be controlled.

Please include this email in the public record of your meeting on September 25, 2019.

Sincerely,  
Sent from my new email address:

Durian Pingree  
(775) 721-7043  
[durpingree@gmail.com](mailto:durpingree@gmail.com)





September 23, 2019

**TRPA Local Government and Housing Committee**

The Honorable Sue Novasel, El Dorado County Supervisor  
The Honorable Cindy Gustafson, Placer County Supervisor  
The Honorable Marsha Berkgigler, Washoe County Commissioner  
The Honorable Wesley Rice, Douglas County Commissioner  
The Honorable Brooke Laine, Mayor, City of South Lake Tahoe  
Ms. Shelly Aldean, TRPA Representative, Carson City  
Ms. Belinda Faustinos, Ex Officio  
Mr. Jim Lawrence, Ex Officio

Dear Chair Novasel and Committee Members:

This correspondence reflects the discussions, collective concerns, and recommendations of a number of long-standing and well-respected organizations within the Tahoe Basin. We are individually and jointly concerned about the nature of the proposed third criterion related to the future release of residential allocations to the region's local governments. These aforementioned organizations are the Lake Tahoe South Shore Chamber of Commerce, South Tahoe Association of REALTORS®, Tahoe Sierra Board of REALTORS®, Incline Village REALTORS®, Sierra Nevada REALTORS®, and the Contractors Association of Truckee Tahoe.

After our thoughtful review of the draft TRPA "Short-Term Rental Neighborhood Compatibility Guidelines for Local Jurisdictions - version 2," we offer the following comments for your consideration and integration into a revised draft.

- 1) The 100 point approach is overly complicated and uses a negatively-based punitive system rather than one with a positively-directed reward approach. In the alternative, we recommend asking each local jurisdiction eligible for allocations to demonstrate they are developing/evolving their own local plans to address the unique challenges and opportunities associated with Short-Term Rentals (STR) within their jurisdiction. This would be a simpler, cleaner, and inclusive way to handle the matter. Each local government plan should have timelines, deliverables, metrics, and budgetary considerations. Each local plan might well take a different approach, because each jurisdiction is different in its problems, opportunities, and constraints.

2) Please consider using bonus units to reward jurisdictions based on a sliding scale with associated merit metrics. We recommend against making residential allocations the “hostage” of a process that some would like to be overly specific, overly punitive, and overly simplistically applied basin-wide. Keep the existing Performance Review Program and process intact. That system works well and is relatively easy to score and understand. Alternatively, make the STR program component the conduit for bonus units which replace allocations, similar to the use of bonus units to incentivize affordable and achievable housing. The Short-Term Rental program thereby becomes a distinct program and a streamlined procedure to secure bonus units to be used as additional allocations.

3) As currently drafted, we see several problems and offer proposed solutions:

**LOCATIONAL Category** - The Land Use practice of the Locational Category at 10 points should be removed (Locate STRs within or near Town Centers, commercial areas, and/or near regional amenities such as ski resorts). This one practice is 10 points or one third of the required 30 points for the “Locational” Category. A jurisdiction needs either 90 points or more than 90 points to receive its base allocation, depending on how the draft code amendment language (as presented in the August 7th staff report) is applied. (Side note: The draft code amendment needs to clearly state the ranges without overlap e.g., below 75%, 75-89%, 90% and greater).

The location of allowable land uses is a normal function of local government. The draft land use practice ignores the fact that decisions about existing and future land use patterns and policies are the rightful purview of the local jurisdiction as governed by its elected officials. These officials are the representatives chosen by the majority of voters who would have to live under the policies and practices enacted. With the input of local stakeholders at the table, local government is the best suited to make decisions as to what is feasible, desirable, and what activities should be located within its land use and zoning parameters. What one community finds objectionable is not necessarily what another community finds objectionable. Enforcement and penalties for nuisance violations also differ from jurisdiction to jurisdiction. Each local government weighs pros and cons and may conduct additional analysis and consider alternatives before making a significant land use decision. A broad brush approach ignores the individual jurisdiction's history, priorities, fiscal considerations, and its responsiveness to community needs and desires. That is why local governments are the appropriate, responsible entities to prepare and implement local Area Plans, not TRPA.

The TRPA memo of 2004, recently mentioned in public comment (*Amendment of Code of Ordinances Chapters 2, Definitions, and 18, Permissible Uses to Recognize the Use of Single Family Homes as Vacation Rental, and Other Matters Properly Related Thereto*) is a good example of how TRPA recognized the central role of local government in regulating short-term rentals (aka vacation home rentals). It is also noteworthy to read the TRPA description of a vacation home rental on page 3 of the 2004 memo, “... (TRPA) staff compared the activities associated with a vacation rental to that of a typical single family home. Many, if not all, of these activities are the same, and nuisances can and are generated by local residents just as they are by people using a vacation rental.” Whether additional traffic is caused by STR/VHRs is a separate question.

Please remove this Land Use practice with 10 points so the Locational category is reduced to 20 points out of the 100 total score. To leave it in as written may force a local jurisdiction to “fail” on this practice and lose 10 points even though they have prepared a logical and balanced land use plan with strict regulations and enforcement. That loss of 10 points out of 100 points could

result in a loss of allocations based on the proposed scoring system explained at your August 14 committee meeting: *"A jurisdiction shall be penalized one increment of deduction for a short term rental neighborhood compatibility score between 75 and 90 percent ..."*

If this one practice is not removed, we respectfully request a thorough analysis of the implications when applied to existing land use plans and policies around the Lake. In other words, are all jurisdictions already compliant with this Land Use practice? If not, what would it take for each jurisdiction to become compliant – how long and at what cost in terms of time, money, and staff resources? What is the effect of any jurisdiction losing one increment of deduction? Will it cause more allocation/purchases/transfers between jurisdictions to make up the loss? Will more existing homes be torn down for rebuild as a way to avoid the need for allocations? Will new residential construction increase in one location to make up for less new residential construction elsewhere? In short, the analysis should consider all the unintended consequences that could attach to such a provision.

**OPERATIONAL Category** – More practices need to be added to the Operational category to provide additional choices and flexibility for the jurisdictions. There are 24 practices shown and the Operational category represents 40 points out of the required 100 points for scoring purposes. Planning and Code Enforcement staff at the local jurisdictions, along with non-governmental organizations and other interested parties, can likely suggest more choices here to supplement the 24 currently shown.

**ENFORCEMENT Category** – The 10 points removed from the Locational-Land Use practice should be shifted to Enforcement so this category represents 40 points of 100 total instead of the currently proposed 30 points. There are currently 18 practices shown. Again, Code Enforcement staff at local governments, along with other interested and informed parties, can likely suggest additional choices to supplement the 18 presently listed. **Emphasizing strict enforcement sends a strong message to bad actors. That could and should be the primary focus of any program addressing short-term rentals.**

Over recent years, the City of South Lake Tahoe had seen an increase in short-term rentals, due in large measure to an inadequate supply of desired lodging accommodations for events and other attractions in the community. The City stepped up its enforcement of nuisance regulations prior to the passage of Measure T. If allowed to stand by the courts, Measure T, over a phased period of time, would prohibit STRs (VHRs) in residential areas of the City outside of the Tourist Core Area Plan. According to City data, there were 1806 VHRs (including the Tourist Core) as of November 15, 2017. On December 22, 2017, the City Council approved a 1400 cap for areas outside of the Tourist Core, along with stricter fines and funding for additional VHR enforcement. Between January 2018 and September 1, 2019, the number of permitted VHRs has dropped from 1791 to 1671. However, the number of VHR complaints has dropped more precipitously. 487 complaints were logged between January 1 and September 18, 2018. That number fell to 218 during the period of January 1 through September 18, 2019. This correlates with the City's more vigorous enforcement of good neighbor rules and VHR regulations; rules of conduct that should rightly apply to all occupied residential units, regardless of tenure (e.g., primary resident/owner, long-term leaseholder, short-term vacation renter, or a friend or relative making use of a residential property without charge).

#### **4) Summary**

Tahoe has historically been a community with many vacation and second homes. Investment decisions, equity and property rights are all at play. We believe the best solution for TRPA is a reasonable compromise. The best solutions are based on avoiding extremes, seeking common

ground, and identifying what is practical and enforceable. Please take the time to conduct further due diligence and respect the VHR regulatory processes currently underway in each of Tahoe's local jurisdictions.

Thank you in advance for your consideration of our concerns and recommendations. We stand ready to continue collaborating with TRPA and our local governments on STR/VHR issues. However, we also believe we should collectively focus our energy and resources on the larger priority challenge - Tahoe's inadequate supply of affordable, achievable housing, particularly for those with lower and moderate incomes.

Respectfully submitted,



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Lyndsay Bryant, Chair, Board of Directors  
Lake Tahoe South Shore Chamber of Commerce

Shannon Witt 


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Shannon Witt, President  
South Tahoe Association of REALTORS®

Sheldon M. Felich 


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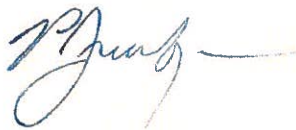
Sheldon Felich, President  
Tahoe Sierra Board of REALTORS®

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Sabrina Belleci, President  
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Leslie Cam, President  
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