



GRANICUS

# The Link Between Affordable Housing and Short-Term Rentals

---

Aligning Policy with Community Goals

# Company Introduction



## 5,500+ Government Agencies

have chosen Granicus to modernize their online services, web presence, and communications strategies.



## Seamless Digital Solutions

that help government: improve the customer experience, simplify/automate workflows, and enable strategic community development



## Short-Term Rental Software & Services

Compliance and Monitoring Software  
Proprietary and Updated Data  
Consulting and Advising Services

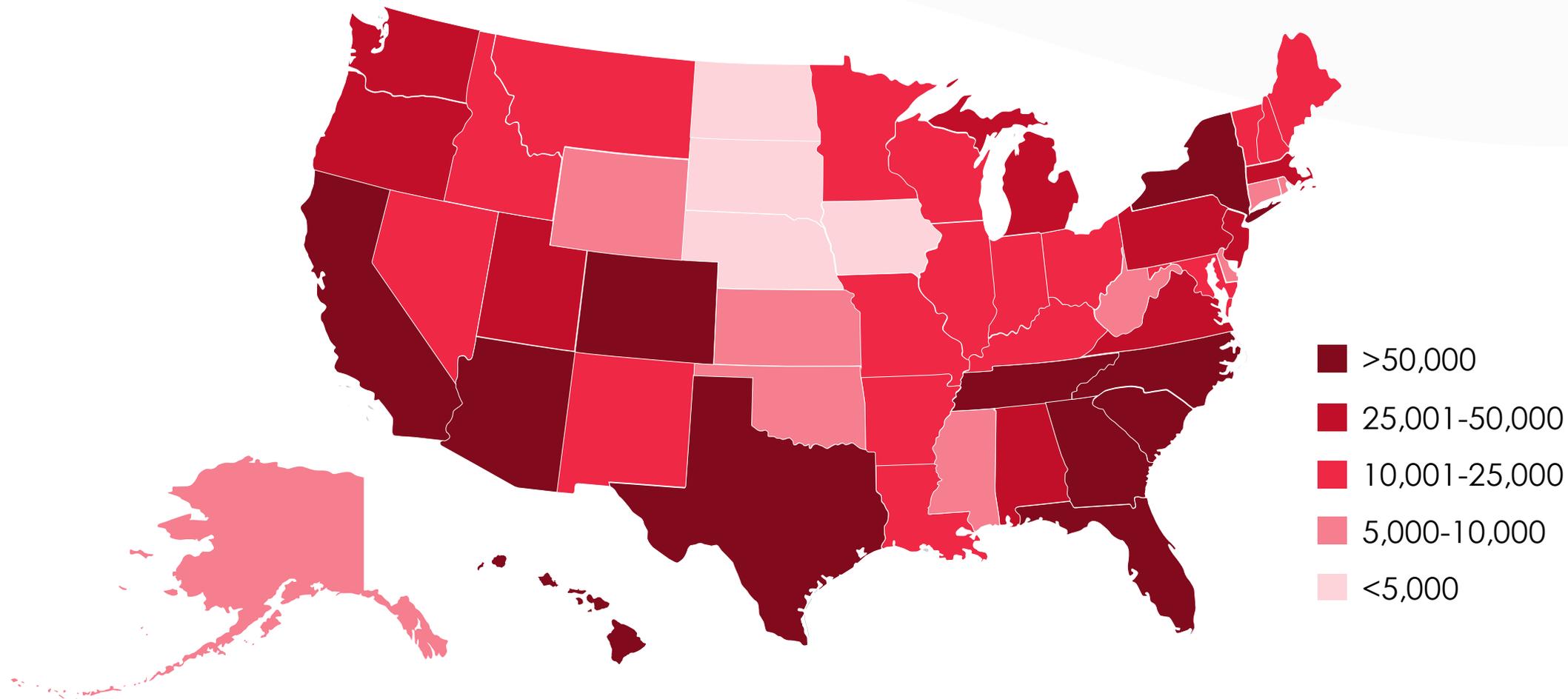


# What is a **Short-Term Rental**?

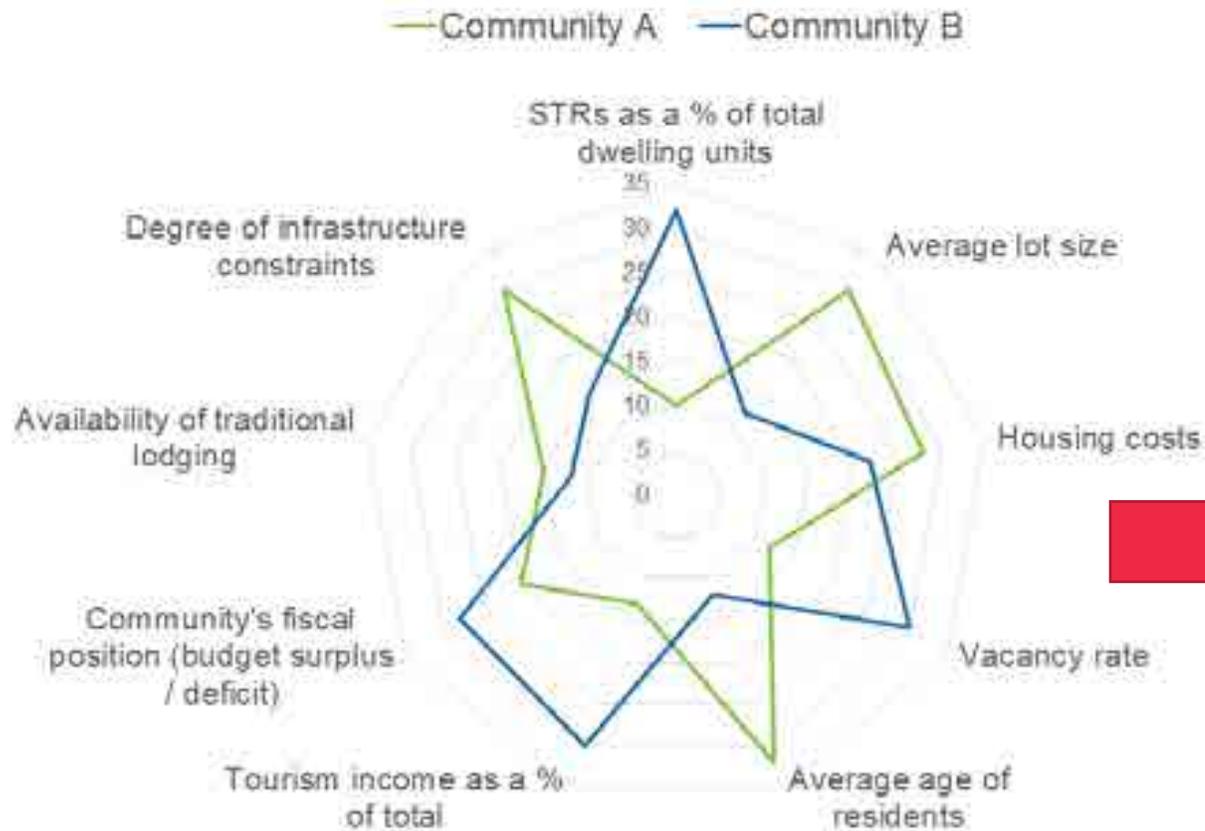


Rental of a residential dwelling unit usually for periods of **less than a month**. Commonly booked through one of the many online marketplaces available, such as Airbnb, VRBO, and more.

There are more than **2M** STR listings in the US, representing **1.6M** unique rental units



# Write an ordinance for **your community**



# Today's **Expert**



**Jeffrey Goodman, AICP**

Planner, Consultant

# Driving Forces

- “Short-term rentals” can mean a spectrum of users and uses
- Professionalization of industry trends towards those with property and capital
- Gap between long-term rents and short-term rental income creates pressure on renters and homebuyers
- Most expensive neighborhoods are not where pressure emerges
- Always easier to protect units than try to rollback changes



# Research

- STRs have some effect on housing availability and affordability
  - Very dependent on local real estate and tourism markets
  - Rarely the sole reason for housing issues
- University of Arizona: Long-term rents dropped 3% after primary residency rules
- Harvard Business Review: “detrimental impact on housing stock”
- National Bureau of Economic Research: STRs cause of “one-fifth” of LTR rent growth
- Georgia State: 5-10% of housing stock in SEC towns are only used for gamedays

## Concerns

- Urban: Gentrification, builders' trend to luxury
- Suburban / Small town: Vulnerable groups, losing local real estate control
- Rural: Limited housing options, difficulty attracting new residents, workforce housing

# Strategies

## 1. Prevent Conversion of Long-term Housing to STR

- Primary residency requirements

Hignell-Stark et al. vs. City of New Orleans (Aug. '22) limits some tools in Tx., La., Ms.

- Geographic / zoning-based bans
- License caps
- On-site operators

## 2. Rollback Conversions

- Tip operator balance sheet back towards long-term housing
- Limit investor pressure on residential housing market for STRs
- Watch how assessors treat STR and comparables

## 3. Leverage Conversions

- Use STR industry to produce or subsidize long-term housing
- Taxes / impact fees as dedicated housing funding source

# Primary Residency

1. Most direct tool for addressing housing issues
2. Limits on speculation and flipping
3. Built-in accountability for quality-of-life concerns
4. Tourist money stays local
5. Easier enforcement and permitting
6. Lawsuits?



# Emerging Issues



## **Prevent Conversion**

*Durango, CO.*

- Town cap of 2-3% of housing units
- Blockface limits
- Bans in vulnerable neighborhoods



## **Rollback Conversion**

*Sedona, AZ.*

- \$240k in homeowner subsidies to flip from STR to LTR
- \$10k for 3-bedrooms
- 35 long-term rental units opened
- Summit Co.: \$1M in incentives netted 74 STR conversions



## **Leverage Conversion**

*Various – NOLA, etc.*

- \$1 fee to the NHIF
- Massachusetts: 3% Community Impact Fee on 'professionally-managed' STR units
- Other ideas: TDRs, ADU grace periods, Development bonuses...

# Questions?



**Jeffrey Goodman, AICP**

Planner, Consultant

# govService **Host Compliance**



Address Identification

Automated monitoring of 70+ STR websites and online dashboard with complete address information and screenshots of all identifiable short-term rentals.



Compliance Monitoring

Ongoing monitoring of STRs for zoning and permit compliance coupled with systematic outreach to illegal short-term rental operators.



Permitting & Registration

Online forms and back-end systems to streamline the registration process and capture required documentation, signatures and payments electronically.



Tax Collection

Make tax reporting and collection easy for hosts and staff to submit and review online.



24/7 Hotline

Make it easy for neighbors to report, prove, and resolve non-emergency short-term rental related problems in real-time, any day, at any hour.



Rental Activity Monitoring

Estimate occupancy or rental revenue for each property and identify audit candidates who are under-reporting on taxes or exceeding occupancy regulations.

# Poll: Would you like a complimentary short-term rental assessment?

- Yes
- No





**Thank you!**