

Hello,

I am writing to voice my opposition to the short term rental ordinance being considered by the council. As the ordinance is drafted it appears to be 1) confusing, 2) punitive, and 3) onerous. I would add that the issues it attempts to address, are not actually issues in general. Off-street parking is not typically a problem in most St. Paul communities, and when it is there is already parking ordinances in place. Social gatherings are not typically issues either and quite frankly are more of a concern for a short term rental host than the city.

As an AirBnb traveler it is clear to me that there are a ton of benefits to Airbnb, and short term rentals in general. As a traveler it is great to be able to connect with people that live in the community (domestically and internationally). I have found it a great way to learn about the town I am visiting, the stores, restaurants, coffee shops in the local communities that would have been missed if I were staying at a hotel. I have also thought that the hosts I have met over the years are just terrific people! I think that it's great that technology has made it possible for people to leverage what they own and make money from it. For some it is the difference between a nice lifestyle, and one where it is hard to make ends meet while also benefiting travelers and the communities being visited.

In summary, please oppose this ordinance and instead pass one more like the one in Minneapolis which is clear, logical and most importantly founded in fairness.

Best Regards,

Casey

Hi Councilmember Dan Bostrom and Scott Renstrom,

As a citizen of Saint Paul, I want to encourage Councilmember Bostrom to vote to reject the current draft regulations and request that the Planning Commission draft regulations that mirror those in Minneapolis. Hosting with Airbnb is a way for people to afford to stay in their homes—a necessary reality in a Ward that includes so many older homes that require ongoing upkeep. Airbnb is also a way to provide affordable family lodging. Not everyone can afford the cost of a hotel or B&B.

Minneapolis is embracing this new model. If Saint Paul goes forward with regulations that are more restrictive, many hosts will look to Minneapolis for future investments. My typical guests - families on a budget, older couples looking for a more home-like option, and millennials - will also go across the river for their stay, and will spend their vacation dollars in Minneapolis.

Please vote to reject the current draft regulations and request that the Planning Commission draft regulations that mirror those in Minneapolis.

Tess Galati

651-210-6799

Dear Council members:

RE: A proposed short-term rental ordinance for Saint Paul

Please return the “Saint Paul Short-Term Rental Draft Ordinance” to the Commission, and ask them to revise it to reflect what the City of Minneapolis Ordinance has included. The Minneapolis Ordinance is clear, logical, and above all fair. Saint Paul’s proposed draft is not.

It is unfair to put Saint Paul’s businesses and neighborhoods at risk just to protect a few hotels, inns, and Bed and Breakfast establishments. We were advised no serious impact study has been conducted in Saint Paul. At the very least this should be a requisite before moving forward.

Many thanks for your consideration.

Jayson R. Engquist & David A. Winkworth (Saint Paul residents)
433 Holly Avenue
Saint Paul, MN 55102

HOME: (651) 340-5102
CELL: (914) 649-0844
E-MAIL: ORGJRE@GMAIL.COM

To the St. Paul City Council Members:

Please return the Short Term Rental Draft Ordinance to the Commission, and ask them to revise it to mirror the Minneapolis Ordinance. The Minneapolis Ordinance is logical, clear, and fair, and Saint Paul’s is not. St. Paul's draft ordinance is unclear, arbitrary, confusing, and gives us onerous rules to deal with.

It would have helped if the process had started with an impact study. In Minneapolis, the Council approached Short Term Rentals as a new phenomenon and considered what they bring to the city. Minneapolis found that short-term rentals, like AirBnB and VRBO, help older citizens remain in their homes. I'm one of those individuals and I believe there is economic room for all different kinds of rental businesses in our city, not just hotels, inns, and bed and breakfasts. Please don't saddle us with onerous rules.

Please use the Minneapolis ordinance as a model for St. Paul's. Thank you for your consideration.

Warm regards,
Kay Schwarzrock
Ashland House, LLC
2013 Ashland Ave.
St. Paul, MN 555104
651.470.0014

Casey Norderdale left message to vote no on the short Rental and suggests something closer to the Minneapolis version. She uses B&B and is a fan of them. They provide benefits to people and their issues are very small. No address left.

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Ms. Middlecamp (Ward 5) left a message for CM Bostrom to vote to send Short Term Rentals back to the committee. There is more work to be done.

Short Term Rental Public Comment

Phone messages:

Sarena Stone, 10XX Central Ave W. Please return the Short Term Rental Draft Ordinance to the commission. Revise to mirror the Minneapolis ordinance. The Minneapolis ordinance is simple, St. Paul's is not simple or fair.

From: Tess Galati [<mailto:tessgalati@gmail.com>]

Sent: Saturday, September 16, 2017 5:24 PM

To: #CI-StPaul_Ward2 <Ward2@ci.stpaul.mn.us>

Subject: Wednesday's vote on Short Term Rentals

Hi Councilmember Rebecca Noeker and Taina Maki,

As a citizen of Saint Paul, I want to encourage Councilmember Noeker to vote to reject the current draft regulations and request that the Planning Commission draft regulations that mirror those in Minneapolis. Hosting with Airbnb is a way for people to afford to stay in their homes—a necessary reality in a Ward that includes so many older homes that require ongoing upkeep. Airbnb is also a way to provide affordable family lodging. Not everyone can afford the cost of a hotel or B&B.

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Re: ORD. 17-18 — Short-Term Rental

City Council Members,

For your consideration, the news article below may be of interest in the October 4, 2017, review and decision for adopting the proposed Short-Term Rental (STR) language, since the logic for the STR language was based on that used to approve Uber type platforms in St. Paul—the article lists similar concerns to those brought up during the Planning Commission STR proposed language review process. The similarities of concern are: scrubbing of data by the platform services, lowering regulatory and safety standards, and how employment is being defined (ex. STRs workers are being treated as domestic vs employees with few if any protections). Also disconcerting is the size of the companies telling cities and citizens what to do (for example, AirBnB says they “will pay taxes IF it is reasonable”—personally I didn’t realize this was an option—we thought we needed to pay our taxes as assessed.)

Thank you.

London says it won't renew Uber's license

CNN Money

London's transport authority announced Friday that it will not renew Uber's license, saying the company is not "fit and proper" to operate in the city. [Read the full story](#)

Dear Planning Commission,

I would like to make an objection to the extremely large Short-Term Rental Platform Licensing FEE. Of \$7000 annually.

I have a platform and it is for local use. Having such a high fee would make it impossible for any local company to compete with Airbnb or VRBO and to provide another source for short term owners to advertise.

Is there any possible way to have a more reasonable fee for platforms that are not National to continue to operate with properties in St. Paul. You are making it impossible for even a property owner to have his or her own website to advertise their property as well. Giving the entire rental market place to the large companies like VRBO, Expedia or Airbnb.

In my opinion, completely unfair to squeeze out your own local businesses that in turn spend their money in the State and instead force all owners to have to work with the giant companies in order to rent their home.

Please consider making some sort of change for local platforms.

With Gratitude,
Lance Bondhus

St. Paul City Council
Submitted September 20, 2017 for consideration by the St. Paul City Council
(Updated to the June 2, 2017 City of St. Paul Planning Commission
Short-Term Rental, Public Hearing)
Pam and Cory Biladeau
Corban Manor Inn~~Bed and Breakfast
96 Virginia Street

St. Paul, MN 55102

City Council Members, my husband Cory and I are residents of Saint Paul, as well as licensed Bed and Breakfast owners; we would like to thank the Planning Commission for the opportunity to speak.

Based on a study conducted by the city of Saint Paul, there are approximately 250+ unlicensed rental properties, which the city has deemed “illegal” rentals. We applaud the city officials for recognizing this, and agree with their designation. We are here in support of the Department of Safety & Inspection’s mission of: ***“To preserve and improve the quality of life in Saint Paul by protecting and promoting public health and safety for all.”***

We absolutely love Saint Paul and are both personally and financially committed to the health and safety of our neighborhood.

It is unclear what short-term rentals (STRs) offer that is different from what is already being provided by the licensed lodging industry—and the need for creating the proposed language. In fact, the current laws offer several tiered licensing levels.

1) **Federal Laws already allow STRs operations during large events like the Super Bowl**, where home

owners can rent up to 15 days a year tax-free--thereafter they are considered a business. (Note: <http://homesharetwincities.weebly.com/news> for STRs is recommending between 5-10 times the regular room price during the Super Bowl--keep in mind most of the STR prices are similar to licensed lodging and are only being doubled.)

2) **For those 'that want to make a little extra money,' renting one bedroom is a very easy process and does not even require a CUP; nor is it expensive.**

3) Renting more than one bedroom has a larger impact on a residential neighborhood and currently requires a CUP process so residents have input on businesses opening next door. (Note: Out of the identified 250+ STR properties, most have multiple rooms under one listing and multiple properties so the impact on residentially zoned areas is substantially more than 250 rooms.)

4) There is also an **option to request a variance allowing more than four guest-rooms. The only real difference in the proposed language, compared to the current laws, is that it will allow**

residential neighborhoods to unabatedly become business districts without input from residents

who would now be living next to a hotel (most residents do not know this is happening because of

omission in fully explaining the impact of using the “family definition”. Interestingly licensed bed and

breakfasts are limited to four guest rooms—so in addition to allowing unabated businesses (STR’s) in

residential areas there is no limit on the number of guests or the ability to regulate abuses if/when

there are more than the four guests who are non-related; further exacerbating the true

Pam and Cory Biladeau – June 2, 2017 – Proposed Language for Short-Term Rentals 2

impact/volume of business conducted in residential neighborhoods. Case studies show that after

lowering their regulatory requirements (in hopes that STRs would register and pay taxes) allowing

STRs that only 12% of the identified hosts registered. So, what makes anyone think that STRs taxes

will suddenly be remitted and that these illegal STRs will limit guests to four non-related adults when

they advertise 3-10 bedrooms? For example, I highly doubt that they will limit one guest to each

bedroom in a four-bedroom home!

GAPS IN THE PROPOSED LANGUAGE

Enforcement

The proposed language also requires licensing on-line rental platforms (ex. Airbnb). However, even if the city is successful in creating a contract with Airbnb (and the other 15 or so on-line short-term rental platforms) to share information about who is renting; this will not capture the tax revenues for those repeat guests who connect with hosts and rent directly (allowing both guests and hosts to avoid the 3-18% fees charged by on-line platforms). It also seems unrealistic that it will be possible to create an agreement with ALL rental platforms. Hawaii and other states do not have enough regulatory staff to monitor and enforce the licensing requirements and have implement steep penalties against STRs who do not follow regulations and the laws. We recommend the city of St. Paul consider penalties for noncompliance

as well.

“Family Occupancy” Definition

We strongly urge the council to not approve the proposed language; but rather decide what is truly different about STRs and adjust that language. Our observation is that the proposed language redefines lodging rentals as residential lodging, rather than a business. The justification is that if rooms are being rented in a residential home, they are somehow not a business and fall under “Family Definition”.

*Note: Family Occupancy definition does not limit the number of guests or guest rooms--**Think “19 Children and counting”!** Although we are told that the family definition can only be four adults—this is a misnomer, and **omission**, of what this language really means; because in addition to the four adults, it allows their grown children, their grown children and their children. HOW CAN THIS POSSIBLY BE REGULATED?

There is an argument that STR traffic would be the same as if a family lived in the home. The difference is that our neighbors know the people that they are inviting into their home and I can’t think of a single neighbor that entertains guests every night, or even very frequently.

If this will not be considered, we ask the proposed language not be passed without addressing the following:

1) Not approving the “family occupancy” definition, but instead quantify the number of guest rooms and number of occupants for each bedroom including square footage requirements per state and local law).

1a) Address parking and other congestion issues and define parking requirements.

1b) Block large investment groups from destabilizing a neighborhood with transient properties.

Pam and Cory Biladeau – June 2, 2017 – Proposed Language for Short-Term Rentals 3

What recourse do neighbors have to complain about increased traffic associated with this type of

business lodging? Our concern is that there will be no recourse for the residents because the STRs

will be in “compliance” with very few restriction. This in-turn would put the city in the position of

limiting their ability to address resident’s complaints because STRs have few requirements and

would be “in compliance” with these new laws.

FAIR PLAYING FIELD

The proposed language is not simply an unfair playing field--it is unjust. We made our business plan based on current licensing laws, permitted use and zoning (which requires licensed BnBs to be 1,000 feet apart and limits guest rooms to four).

Unlike several of the STR hosts--who we have heard from first-hand, quit their jobs and are able to solely live on the STR income--most licensed Bed and Breakfast (BnB) owners do not make enough money to quit their jobs or have retirement income. The lodging industry states it takes at least ten guest rooms to make enough profit to serve as a sustainable single-source income. This put into perspective the amount of money being taken in by these STRs, who we have heard quit their jobs and live solely off of the STR income. We provide this amenity to the neighborhood because we feel that it provides a wonderful amenity to our neighborhood, it is personally fulfilling and provides supplemental income for the upkeep of our historic home.

FINAL COMMENTS

We believe the city has an obligation to protect their residents and uphold the current lodging laws, permitted uses, and zoning. While STRs are a business, they have not been, nor will be held to the same standards as licensed lodging businesses if the proposed language is approved. We love our neighborhood and St. Paul—we are proud to share and showcase its, beauty, history and unique character with visitors. We do not believe it is in the best interest of our residents and visitors to lower the current regulatory standards, licensing requirements, permitted use or zoning.

Short-term rentals are nothing new! The only thing new about the “new economy” is that it is an underground economy where laws, permitted uses, and zoning are blatantly not followed--most don't follow employment laws, pay the 10.625% taxes, fees, or buy business insurance. We were

literally laughed at by STR owners who simply couldn't comprehend why we followed the law!!! We explained, that we thought following the law is the bedrock of society and if laws are not followed chaos ensues. Even with this explanation, they couldn't understand because they couldn't imagine regulators will be able to make them comply.

Case studies show that lowering standards achieves minimal compliance. For example, prior to the settlement agreement, San Francisco had required hosts to “register” with the city, however only 2100 of the 8000+ had done so. Other cities such as Charlotte NC have had a similar experience with only 12% complying with the lowered requirements. Furthermore, one STR owner in a public meeting said that she didn't care what the city decided, she was going to continue to rent out her five bedrooms. We object to the unjust and disproportionate advantages being given to unlicensed STRs—we have been held to the highest interpretation of laws while going through the CUP process, pay 10.625% lodging and related taxes, business insurance, followed ordinances and **employment laws**—that were Pam and Cory Biladeau – June 2, 2017 – Proposed Language for Short-Term Rentals 4 implemented without distinction of our small size! It appears from past actions, and based on the lack of success by others states, that even when regulatory standards are lowered, or removed, many STRs will be unwilling to follow the laws.

Therefore, we are asking for the same opportunity to make a living as STRs by automatically grandfathering the following language for currently licensed bed and breakfasts:

- 1) Increasing the number of bedrooms from four to ten (including accessory buildings).
- 2) Allow unlimited numbers of employee hires.
- 3) Continue to designate BnBs as residential for code compliance.

PROOF THE PROPOSED LANGUAGE IS NOT NEEDED

We have heard many emotional statements about the benefits of short-term rentals. Each and every one of these arguments can be answered by asking the question: WHAT DOES THIS HAVE TO DO WITH NOT FOLLOWING THE LAW? Since, licensed BnB owners have the same concerns and provide the same lodging services as unlicensed STRs, these “I can’t follow the law because” arguments just don’t hold up. For Example:

- I’m not following the law because: “I couldn’t afford my current house I have” if I followed the law.
- I’m not following the law because: “I want to be free to do the type of work I want to do.”
- I’m not following the law because: “I need the money.”
- I’m not following the law because: “I should be able to do what I want with my home.” (Try opening a liquor store in your bedroom.)
- I’m not following the law because: “I have health issues.” (So do my husband and I and I can certainly empathize it takes a lot of energy to host!)
- I’m not following the law because: “This is a new business model.” (Using a person’s home as lodging is not new! Having a \$31 billion dollar company calling the shots is also not new. AirBnB says they will support paying “reasonable” taxes.” I didn’t realize I had the subjective choice of paying taxes and determining how much I would pay.)
- I’m not following the law because: “I already pay property taxes on my home.” (Try telling that to the IRS who clearly defines income from STRs as taxable income!)
- I’m not following the law because: “I support visitors to spend money in the area.” (Your saying that licensed lodging or being licensed would prohibit this. Really? We actually do this AND pay taxes, fees, follow employee laws, AND support visitor centers via membership fees all while being licensed and following the law!)
- I’m not following the law because: “I serve as ambassador to visitors, especially those from other countries.” (I didn’t realize that the people we hosted from China, Afghanistan, Zimbabwe, etc. couldn’t be hosted if you were licensed.)
- I’m not following the law because: “I offer a unique experience” from licensed lodging (Try telling that to the pre-post operation guests that we provided bendable straws, water carafes, pop cycles, ice packs, tables next to the bed, etc. all while being licensed.)
- I’m not following the law because: “I keep my yard picked up, mowed, house painted and make improvements.” (Seriously, you’re using the threat of not following yet another law as a bargaining chip as to why you are not following the lodging laws?)
- I’m not following the law because: “Summit University has a lot of money and we don’t.” (Really? Many of the residents bought their homes in the 70’s and fought to create the Pam and Cory Biladeau – June 2, 2017 – Proposed Language for Short-Term Rentals 5 beautiful neighborhood we have today. Interestingly many of the STR who have testified own homes that are more expensive than ours!)
- I’m not following the law because: “I didn’t save money (because in another business, I followed employment laws and paid employees well.)”
- I’m not following the law because: “STR traffic would be the same as if a family lived in the home.” (The real difference is that our neighbors know the people that they are inviting into their home and I can’t think of a single neighbor that entertains guests every night, or even very frequently.)

MULTI-PROPERTY INVESTMENT GROUPS

We are concerned about the non-owner occupied, multi-property STRs:

- Multi-property owners make up six percent of the hosts on Airbnb, but bring in 40 percent of Airbnb’s revenue. In other words, a lot of the hosts on Airbnb and other rental platforms are large multi-property investors.
- Members of the Vacation Rental Alliance of Minnesota have a \$15,000.00 “International Service

Provider Membership". (Compared to Minnesota Bed and Breakfast Association whose maximum membership is \$700 for members with 50 rooms or more; most pay under \$300.00). This is not your "just trying to make a little extra money" group. No wonder they want to have the City pass language that changes residential zoning into business districts and bypass current residential zoning requirements for lodging.

CONCLUSION

We ask the city to please consider using the current lodging licensing laws and permitted use and zoning--with the exception of adding the single difference with STRs and allowing the option to not serve breakfasts.

Thank you for your consideration of these requests and opportunity to give input.

Professional Association of Innkeepers International, "News You Can Use" March 8, 2017 Newsletter

Excerpt from: Airbnb Agreements with State and Local Tax Agencies

A Formula for Undermining Tax Fairness, Transparency and the Rule of Law

AIRBNB is coming to your town - and we're not referencing only the 'hosts' - the company continues its efforts to evade the regulations addressing safety, local codes, and support of tourism marketing thru taxation throughout the country. We share the entire update with you, our readers, as we advocate for fair & just regulations for all providers of lodging.

Washington, D.C. -- A new report outlining the dangers to states and municipalities of the tax agreements some have been entering into with lodging behemoth Airbnb has been released today, Tuesday, March 7th. Tax administration expert Dan R. Bucks, who was Executive Director of the Multistate Tax Commission and ran the Montana Dept. of Revenue authored the study.

In a conference call this afternoon, Bucks made the following statement:

"Having studied 12 of the 200 supposed 'voluntary tax agreements' Airbnb has entered into with states and localities - nearly all of which have been kept secret at Airbnb's demand - it is clear they are actually not tax agreements at all, and they do nothing to insure the right amount of tax will be collected."

"The agreements Airbnb is getting states and cities to sign do not require Airbnb to disclose all information relevant to its tax status, and they consciously shield with secrecy the identity and addresses of local lodging operators, or 'hosts' as Airbnb calls them. They do not contain actual tax information. In short, they do not do what normal tax agreements do."

"So, what are these agreements? They are, in truth, rules that grant special privileges to Airbnb and its lodging operations. They are rules because they cover multiple decisions - not just tax issues - sprawling across a range of policy and administrative issues by:

- giving unjustified amnesty to Airbnb and its lodging operators,
- granting broad tax and regulatory benefits to a large class of unidentified beneficiaries lodging operators-who are not signatories of the agreements,
- creating unusual and unprecedented limits on tax administration-especially audits and information sharing-that are a radical departure from normal practices and undermine the proper accountability for taxes collected, reported and paid,
- shielding in multiple layers of secrecy the identity and location of lodging operators to prevent the enforcement of tax and regulatory laws that affect public health and safety and the quality of community life, and
- restricting the public, the media and other agencies from knowing about and participating in the public policy decisions made in these agreements."

"The Airbnb lodging most relevant are commercial-style facilities with one to several units where the operators do not live in them but rent them out full-time. This is not home-sharing. While home-sharing is often legal, commercial-style rentals more likely violate zoning or housing laws. Airbnb's revenue growth is shifting toward commercial-style lodging, so hiding these facilities from public agencies to keep them from being shut down for zoning or housing

violations benefits Airbnb's revenues."

"It is a myth that Airbnb employs a special business model deserving special treatment. Airbnb uses an old model, well-known in taxation. Airbnb is a retailer working with lodging operators - their 'hosts' - who are wholesalers delivering the final product to the consumer. For tax purposes, states have designed dual reporting with a coordinated, single payment system to fit this model. There is nothing new here that justifies these agreements with their special features."

"The report analyzes the texts of 12 publicly released Airbnb agreements. There are reportedly 200 such agreements, most of which are being held secret for now. These 12 agreements do not contain anything confidential. Since Airbnb has sought similar agreements across the country, it is likely the bulk of the remaining agreements should also be released publicly."

The report calls upon agencies to stop signing Airbnb's deeply flawed agreements. The agreements provide unjustified and unprecedented favoritism for Airbnb and its lodging operators through a broad range of tax and regulatory handouts not available to other citizens and businesses. The gifts these agreements grant to Airbnb and its operators are unfair to other taxpayers, to lodging competitors and to citizens simply looking for a place to live.

"The agreements do not even guarantee that Airbnb's lodging tax payments will be full and accurate. Airbnb gets to keep its books and records secret from tax agencies and provide only anonymous data for tax auditors-data that could be fact or fiction. These provisions insulate Airbnb from accountability for the taxes they pay. While there is no evidence of tax abuses-only a thorough, independent audit of books and records could determine that - and the agreements appear specifically designed to make audits impossible or as difficult as possible.

"As a final note, I would hope the press would consider independent action of its own to seek release of more of these agreements to the extent that they do not contain confidential information. We see no evidence that any of them appear to."

Dan Bucks has served as Director of the Montana Department of Revenue (2005-2013) and as Executive Director of the Multistate Tax Commission (1988-2004). Prior to that he held executive positions in both Montana and South Dakota state governments back to 1971. He currently serves as a revenue policy and administration consultant and is a contributor to State Tax Notes. A copy of the report is

available: https://www.ahla.com/sites/default/files/Airbnb_Tax_Agreement_Report_0.pdf

###

From: Casey Nordendale [<mailto:cnordendale@gmail.com>]

Sent: Monday, September 18, 2017 3:00 PM

Subject: Oppose the Proposed Short Term Rental Ordinance

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In summary, please oppose this ordinance and instead pass one more like the one in Minneapolis which is clear, logical and most importantly founded in fairness.

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Warm regards,
Kay Schwarzrock

Ashland House, LLC
2013 Ashland Ave.
St. Paul, MN 555104
651.470.0014

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Short Term Rental Public Comment

Phone messages:

Sarena Stone, 10XX Central Ave W. Please return the Short Term Rental Draft Ordinance to the commission. Revise to mirror the Minneapolis ordinance. The Minneapolis ordinance is simple, St. Paul's is not simple or fair.

From: Tess Galati [<mailto:tessgalati@gmail.com>]
Sent: Saturday, September 16, 2017 5:24 PM
To: #CI-StPaul_Ward2 <Ward2@ci.stpaul.mn.us>
Subject: Wednesday's vote on Short Term Rentals

Hi Councilmember Rebecca Noeker and Taina Maki,

As a citizen of Saint Paul, I want to encourage Councilmember Noeker to vote to reject the current draft regulations and request that the Planning Commission draft regulations that mirror those in Minneapolis. Hosting with Airbnb is a way for people to afford to stay in their homes—a necessary reality in a Ward that includes so many older homes that require ongoing upkeep. Airbnb is also a way to provide affordable family lodging. Not everyone can afford the cost of a hotel or B&B.

Minneapolis is embracing this new model. If Saint Paul goes forward with regulations that are more restrictive, many hosts will look to Minneapolis for future investments. My typical guests - families on a budget, older couples looking for a more home-like option, and millennials - will also go across the river for their stay, and will spend their vacation dollars in Minneapolis.

Please vote to reject the current draft regulations and request that the Planning Commission draft regulations that mirror those in Minneapolis.

Tess Galati

Re: ORD. 17-18 — Short-Term Rental

City Council Members,

For your consideration, the news article below may be of interest in the October 4, 2017, review and decision for adopting the proposed Short-Term Rental (STR) language, since the logic for the STR language was based on that used to approve Uber type platforms in St. Paul—the article lists similar concerns to those brought up during the Planning Commission STR proposed language review process. The similarities of concern are: scrubbing of data by the platform services, lowering regulatory and safety standards, and how employment is being defined (ex. STRs workers are being treated as domestic vs employees with few if any protections). Also disconcerting is the size of the companies telling cities and citizens what to do (for example, AirBnB says they “will pay taxes IF it is reasonable”—personally I didn’t realize this was an option—we thought we needed to pay our taxes as assessed.)

Thank you.

London says it won't renew Uber's license

CNN Money

London's transport authority announced Friday that it will not renew Uber's license, saying the company is not "fit and proper" to operate in the city. [Read the full story](#)

Dear Planning Commission,

I would like to make an objection to the extremely large Short-Term Rental Platform Licensing FEE. Of \$7000 annually.

I have a platform and it is for local use. Having such a high fee would make it impossible for any local company to compete with Airbnb or VRBO and to provide another source for short term owners to advertise.

Is there any possible way to have a more reasonable fee for platforms that are not National to continue to operate with properties in St. Paul. You are making it impossible for even a property owner to have his or her own website to advertise their property as well. Giving the entire rental market place to the large companies like VRBO, Expedia or Airbnb.

In my opinion, completely unfair to squeeze out your own local businesses that in turn spend their money in the State and instead force all owners to have to work with the giant companies in order to rent their home.

Please consider making some sort of change for local platforms.

With Gratitude,
Lance Bondhus

St. Paul City Council

**Submitted September 20, 2017 for consideration by the St. Paul City Council
(Updated to the June 2, 2017 City of St. Paul Planning Commission
Short-Term Rental, Public Hearing)**

Pam and Cory Biladeau

Corban Manor Inn~~Bed and Breakfast

96 Virginia Street

St. Paul, MN 55102

City Council Members, my husband Cory and I are residents of Saint Paul, as well as licensed Bed and Breakfast owners; we would like to thank the Planning Commission for the opportunity to speak.

Based on a study conducted by the city of Saint Paul, there are approximately 250+ unlicensed rental properties, which the city has deemed “illegal” rentals We applaud the city officials for recognizing this, and agree with their designation. We are here in support of the Department of Safety & Inspection’s mission of: ***“To preserve and improve the quality of life in Saint Paul by protecting and promoting public health and safety for all.”***

We absolutely love Saint Paul and are both personally and financially committed to the health and safety of our neighborhood.

It is unclear what short-term rentals (STRs) offer that is different from what is already being provided by the licensed lodging industry—and the need for creating the proposed language. In fact, the current laws offer several tiered licensing levels.

1) Federal Laws already allow STRs operations during large events like the Super Bowl, where home

owners can rent up to 15 days a year tax-free--thereafter they are considered a business. (Note: <http://homesharetwincities.weebly.com/news> for STRs is recommending between 5-10 times the regular room price during the Super Bowl--keep in mind most of the STR prices are similar to licensed lodging and are only being doubled.)

2) For those 'that want to make a little extra money,' renting one bedroom is a very easy process and does not even require a CUP; nor is it expensive.

3) Renting more than one bedroom has a larger impact on a residential neighborhood and currently requires a CUP process so residents have input on businesses opening next door. (Note: Out of the identified 250+ STR properties, most have multiple rooms under one listing and multiple properties so the impact on residentially zoned areas is substantially more than 250 rooms.)

4) There is also an **option to request a variance allowing more than four guest-rooms.**

The only real difference in the proposed language, compared to the current laws, is that it will allow

residential neighborhoods to unabatedly become business districts without input from residents

who would now be living next to a hotel (most residents do not know this is happening because of

omission in fully explaining the impact of using the “family definition”. Interestingly licensed bed and

breakfasts are limited to four guest rooms—so in addition to allowing unabated businesses (STR’s) in

residential areas there is no limit on the number of guests or the ability to regulate abuses if/when

there are more than the four guests who are non-related; further exacerbating the true

Pam and Cory Biladeau – June 2, 2017 – Proposed Language for Short-Term Rentals 2

impact/volume of business conducted in residential neighborhoods. Case studies show that after

lowering their regulatory requirements (in hopes that STRs would register and pay taxes)

allowing

STRs that only 12% of the identified hosts registered. So, what makes anyone think that STRs taxes

will suddenly be remitted and that these illegal STRs will limit guests to four non-related adults when

they advertise 3-10 bedrooms? For example, I highly doubt that they will limit one guest to each

bedroom in a four-bedroom home!

GAPS IN THE PROPOSED LANGUAGE

Enforcement

The proposed language also requires licensing on-line rental platforms (ex. Airbnb). However, even if the city is successful in creating a contract with Airbnb (and the other 15 or so on-line short-term rental platforms) to share information about who is renting; this will not capture the tax revenues for those repeat guests who connect with hosts and rent directly (allowing both guests and hosts to avoid the 3-18% fees charged by on-line platforms). It also seems unrealistic that it will be possible to create an agreement with ALL rental platforms. Hawaii and other states do not have enough regulatory staff to monitor and enforce the licensing requirements and have implement steep penalties against STRs who do not follow regulations and the laws. We recommend the city of St. Paul consider penalties for noncompliance

as well.

“Family Occupancy” Definition

We strongly urge the council to not approve the proposed language; but rather decide what is truly different about STRs and adjust that language. Our observation is that the proposed language redefines lodging rentals as residential lodging, rather than a business. The justification is that if rooms are being rented in a residential home, they are somehow not a business and fall under “Family Definition”.

*Note: Family Occupancy definition does not limit the number of guests or guest rooms--**Think “19 Children and counting”!** Although we are told that the family definition can only be four adults—this is a misnomer, and **omission**, of what this language really means; because in addition to the four adults, it allows their grown children, their grown children and their children. HOW CAN THIS POSSIBLY BE REGULATED?

There is an argument that STR traffic would be the same as if a family lived in the home. The difference is that our neighbors know the people that they are inviting into their home and I can’t think of a single neighbor that entertains guests every night, or even very frequently.

If this will not be considered, we ask the proposed language not be passed without addressing the following:

1) Not approving the “family occupancy” definition, but instead quantify the number of guest rooms and number of occupants for each bedroom including square footage requirements per state and local law).

1a) Address parking and other congestion issues and define parking requirements.

1b) Block large investment groups from destabilizing a neighborhood with transient properties.

Pam and Cory Biladeau – June 2, 2017 – Proposed Language for Short-Term Rentals 3

What recourse do neighbors have to complain about increased traffic associated with this type of

business lodging? Our concern is that there will be no recourse for the residents because the STRs will be in “compliance” with very few restriction. This in-turn would put the city in the position of limiting their ability to address resident’s complaints because STRs have few requirements and would be “in compliance” with these new laws.

FAIR PLAYING FIELD

The proposed language is not simply an unfair playing field--it is unjust. We made our business plan based on current licensing laws, permitted use and zoning (which requires licensed BnBs to be 1,000 feet apart and limits guest rooms to four).

Unlike several of the STR hosts--who we have heard from first-hand, quit their jobs and are able to solely live on the STR income--most licensed Bed and Breakfast (BnB) owners do not make enough money to quit their jobs or have retirement income. The lodging industry states it takes at least ten guest rooms to make enough profit to serve as a sustainable single-source income. This put into perspective the amount of money being taken in by these STRs, who we have heard quit their jobs and live solely off of the STR income. We provide this amenity to the neighborhood because we feel that it provides a wonderful amenity to our neighborhood, it is personally fulfilling and provides supplemental income for the upkeep of our historic home.

FINAL COMMENTS

We believe the city has an obligation to protect their residents and uphold the current lodging laws, permitted uses, and zoning. While STRs are a business, they have not been, nor will be held to the same standards as licensed lodging businesses if the proposed language is approved. We love our neighborhood and St. Paul—we are proud to share and showcase its, beauty, history and unique character with visitors. We do not believe it is in the best interest of our residents and visitors to lower the current regulatory standards, licensing requirements, permitted use or zoning.

Short-term rentals are nothing new! The only thing new about the “new economy” is that it is an underground economy where laws, permitted uses, and zoning are blatantly not followed--most don’t follow employment laws, pay the 10.625% taxes, fees, or buy business insurance. We were

literally laughed at by STR owners who simply couldn’t comprehend why we followed the law!!! We explained, that we thought following the law is the bedrock of society and if laws are not followed chaos ensues. Even with this explanation, they couldn’t understand because they couldn’t imagine regulators will be able to make them comply.

Case studies show that lowering standards achieves minimal compliance. For example, prior to the settlement agreement, San Francisco had required hosts to “register” with the city, however only 2100 of the 8000+ had done so. Other cities such as Charlotte NC have had a similar experience with only 12% complying with the lowered requirements. Furthermore, one STR owner in a public meeting said that she didn’t care what the city decided, she was going to continue to rent out her five bedrooms. We object to the unjust and disproportionate advantages being given to unlicensed STRs—we have been held to the highest interpretation of laws while going through the CUP process, pay 10.625%

lodging and related taxes, business insurance, followed ordinances and **employment laws**—that were Pam and Cory Biladeau – June 2, 2017 – Proposed Language for Short-Term Rentals 4 implemented without distinction of our small size! It appears from past actions, and based on the lack of success by others states, that even when regulatory standards are lowered, or removed, many STRs will be unwilling to follow the laws.

Therefore, we are asking for the same opportunity to make a living as STRs by automatically grandfathering the following language for currently licensed bed and breakfasts:

- 1) Increasing the number of bedrooms from four to ten (including accessory buildings).
- 2) Allow unlimited numbers of employee hires.
- 3) Continue to designate BnBs as residential for code compliance.

PROOF THE PROPOSED LANGUAGE IS NOT NEEDED

We have heard many emotional statements about the benefits of short-term rentals. Each and every one of these arguments can be answered by asking the question: WHAT DOES THIS HAVE TO DO WITH NOT FOLLOWING THE LAW? Since, licensed BnB owners have the same concerns and provide the same lodging services as unlicensed STRs, these “I can’t follow the law because” arguments just don’t hold up. For Example:

- I’m not following the law because: “I couldn’t afford my current house I have” if I followed the law.
- I’m not following the law because: “I want to be free to do the type of work I want to do.”
- I’m not following the law because: “I need the money.”
- I’m not following the law because: “I should be able to do what I want with my home.” (Try opening a liquor store in your bedroom.)
- I’m not following the law because: “I have health issues.” (So do my husband and I and I can certainly empathize it takes a lot of energy to host!)
- I’m not following the law because: “This is a new business model.” (Using a person’s home as lodging is not new! Having a \$31 billion dollar company calling the shots is also not new. AirBnB says they will support paying “reasonable” taxes.” I didn’t realize I had the subjective choice of paying taxes and determining how much I would pay.)
- I’m not following the law because: “I already pay property taxes on my home.” (Try telling that to the IRS who clearly defines income from STRs as taxable income!)
- I’m not following the law because: “I support visitors to spend money in the area.” (Your saying that licensed lodging or being licensed would prohibit this. Really? We actually do this AND pay taxes, fees, follow employee laws, AND support visitor centers via membership fees all while being licensed and following the law!)
- I’m not following the law because: “I serve as ambassador to visitors, especially those from other countries.” (I didn’t realize that the people we hosted from China, Afghanistan, Zimbabwe, etc. couldn’t be hosted if you were licensed.)
- I’m not following the law because: “I offer a unique experience” from licensed lodging (Try telling that to the pre-post operation guests that we provided bendable straws, water carafes, pop cycles, ice packs, tables next to the bed, etc. all while being licensed.)
- I’m not following the law because: “I keep my yard picked up, mowed, house painted and make improvements.” (Seriously, you’re using the threat of not following yet another law as a bargaining chip as to why you are not following the lodging laws?)
- I’m not following the law because: “Summit University has a lot of money and we don’t.” (Really? Many of the residents bought their homes in the 70’s and fought to create the Pam and Cory Biladeau – June 2, 2017 – Proposed Language for Short-Term Rentals 5 beautiful neighborhood we have today. Interestingly many of the STR who have testified own homes that are more expensive than ours!)
- I’m not following the law because: “I didn’t save money (because in another business, I

followed employment laws and paid employees well.)”

- I’m not following the law because: “STR traffic would be the same as if a family lived in the home.” (The real difference is that our neighbors know the people that they are inviting into their home and I can’t think of a single neighbor that entertains guests every night, or even very frequently.)

MULTI-PROPERTY INVESTMENT GROUPS

We are concerned about the non-owner occupied, multi-property STRS:

- Multi-property owners make up six percent of the hosts on Airbnb, but bring in 40 percent of Airbnb’s revenue. In other words, a lot of the hosts on Airbnb and other rental platforms are large multi-property investors.
- Members of the Vacation Rental Alliance of Minnesota have a \$15,000.00 “International Service Provider Membership”. (Compared to Minnesota Bed and Breakfast Association whose maximum membership is \$700 for members with 50 rooms or more; most pay under \$300.00). This is not your “just trying to make a little extra money” group. No wonder they want to have the City pass language that changes residential zoning into business districts and bypass current residential zoning requirements for lodging.

CONCLUSION

We ask the city to please consider using the current lodging licensing laws and permitted use and zoning--with the exception of adding the single difference with STRs and allowing the option to not serve breakfasts.

Thank you for your consideration of these requests and opportunity to give input.

Professional Association of Innkeepers International, “News You Can Use” March 8, 2017 Newsletter

[Excerpt from: Airbnb Agreements with State and Local Tax Agencies
A Formula for Undermining Tax Fairness, Transparency and the Rule of Law](#)

AIRBNB is coming to your town - and we're not referencing only the 'hosts' - the company continues its efforts to evade the regulations addressing safety, local codes, and support of tourism marketing thru taxation throughout the country. We share the entire update with you, our readers, as we advocate for fair & just regulations for all providers of lodging.

Washington, D.C. -- A new report outlining the dangers to states and municipalities of the tax agreements some have been entering into with lodging behemoth Airbnb has been released today, Tuesday, March 7th. Tax administration expert Dan R. Bucks, who was Executive Director of the Multistate Tax Commission and ran the Montana Dept. of Revenue authored the study.

In a conference call this afternoon, Bucks made the following statement:

"Having studied 12 of the 200 supposed 'voluntary tax agreements' Airbnb has entered into with states and localities - nearly all of which have been kept secret at Airbnb's demand - it is clear they are actually not tax agreements at all, and they do nothing to insure the right amount of tax will be collected."

"The agreements Airbnb is getting states and cities to sign do not require Airbnb to disclose all information relevant to its tax status, and they consciously shield with secrecy the identity and addresses of local lodging operators, or 'hosts' as Airbnb calls them. They do not contain actual tax information. In short, they do not do what normal tax agreements do."

"So, what are these agreements? They are, in truth, rules that grant special privileges to Airbnb and its lodging operations. They are rules because they cover multiple decisions - not just tax issues - sprawling across a range of policy and administrative issues by:

- giving unjustified amnesty to Airbnb and its lodging operators,
- granting broad tax and regulatory benefits to a large class of unidentified beneficiaries lodging operators-who are not signatories of the agreements,
- creating unusual and unprecedented limits on tax administration-especially audits and information sharing-that are a radical departure from normal practices and undermine the

proper accountability for taxes collected, reported and paid,

- shielding in multiple layers of secrecy the identity and location of lodging operators to prevent the enforcement of tax and regulatory laws that affect public health and safety and the quality of community life, and
- restricting the public, the media and other agencies from knowing about and participating in the public policy decisions made in these agreements."

"The Airbnb lodging most relevant are commercial-style facilities with one to several units where the operators do not live in them but rent them out full-time. This is not home-sharing. While home-sharing is often legal, commercial-style rentals more likely violate zoning or housing laws. Airbnb's revenue growth is shifting toward commercial-style lodging, so hiding these facilities from public agencies to keep them from being shut down for zoning or housing violations benefits Airbnb's revenues."

"It is a myth that Airbnb employs a special business model deserving special treatment. Airbnb uses an old model, well-known in taxation. Airbnb is a retailer working with lodging operators - their 'hosts' - who are wholesalers delivering the final product to the consumer. For tax purposes, states have designed dual reporting with a coordinated, single payment system to fit this model. There is nothing new here that justifies these agreements with their special features."

"The report analyzes the texts of 12 publicly released Airbnb agreements. There are reportedly 200 such agreements, most of which are being held secret for now. These 12 agreements do not contain anything confidential. Since Airbnb has sought similar agreements across the country, it is likely the bulk of the remaining agreements should also be released publicly."

The report calls upon agencies to stop signing Airbnb's deeply flawed agreements. The agreements provide unjustified and unprecedented favoritism for Airbnb and its lodging operators through a broad range of tax and regulatory handouts not available to other citizens and businesses. The gifts these agreements grant to Airbnb and its operators are unfair to other taxpayers, to lodging competitors and to citizens simply looking for a place to live.

"The agreements do not even guarantee that Airbnb's lodging tax payments will be full and accurate. Airbnb gets to keep its books and records secret from tax agencies and provide only anonymous data for tax auditors-data that could be fact or fiction. These provisions insulate Airbnb from accountability for the taxes they pay. While there is no evidence of tax abuses-only a thorough, independent audit of books and records could determine that - and the agreements appear specifically designed to make audits impossible or as difficult as possible.

"As a final note, I would hope the press would consider independent action of its own to seek release of more of these agreements to the extent that they do not contain confidential information. We see no evidence that any of them appear to."

Dan Bucks has served as Director of the Montana Department of Revenue (2005-2013) and as Executive Director of the Multistate Tax Commission (1988-2004). Prior to that he held executive positions in both Montana and South Dakota state governments back to 1971. He currently serves as a revenue policy and administration consultant and is a contributor to State Tax Notes. A copy of the report is

available: https://www.ahla.com/sites/default/files/Airbnb_Tax_Agreement_Report_0.pdf

#

From: Casey Nordendale [<mailto:cnordendale@gmail.com>]

Sent: Monday, September 18, 2017 3:00 PM

Subject: Oppose the Proposed Short Term Rental Ordinance

Hello,

I am writing to voice my opposition to the short term rental ordinance being considered by the council. As the ordinance is drafted it appears to be 1) confusing, 2) punitive, and 3) onerous. I would add that the issues it attempts to address, are not actually issues in general. Off-street parking is not typically a problem in most St. Paul communities, and when

it is there is already parking ordinances in place. Social gatherings are not typically issues either and quite frankly are more of a concern for a short term rental host than the city.

As an AirBnb traveler it is clear to me that there are a ton of benefits to Airbnb, and short term rentals in general. As a traveler it is great to be able to connect with people that live in the community (domestically and internationally). I have found it a great way to learn about the town I am visiting, the stores, restaurants, coffee shops in the local communities that would have been missed if I were staying at a hotel. I have also thought that the hosts I have met over the years are just terrific people! I think that it's great that technology has made it possible for people to leverage what they own and make money from it. For some it is the difference between a nice lifestyle, and one where it is hard to make ends meet while also benefiting travelers and the communities being visited.

In summary, please oppose this ordinance and instead pass one more like the one in Minneapolis which is clear, logical and most importantly founded in fairness.

Best Regards,

Casey

Date: October 3, 2017
To: St. Paul City Council
From: Susan Foote susan.b.foote@gmail.com

Subj: Packet of Useful Articles on Short-Term Rentals

Attached are several documents relevant to your deliberation on regulating short-term rentals in St. Paul.

- Newly adopted regulations for Madison, Wisconsin, a state capital and university town in a neighboring state.
- A document from the AirBnB.com website detailing new regulations in San Francisco.
- A news story from USA Today of May 3, 2017, on the possible effects of these new regulations in San Francisco.
- A news story about the arrest for criminal sexual conduct by an AirBnB guest in Minnetonka.



City of Madison

FAQ: Tourist Rooming House

Tourist Rooming House (TRH)

Zoning Ordinance Definition:

Tourist Rooming House. A building or portion thereof, other than a Hotel, Motel, Bed and Breakfast Establishment or Hostel, in which sleeping accommodations are offered for pay to tourists or transients. The definition does not include private boarding, lodging or rooming houses not accommodating tourists or transients.

Supplemental Zoning Regulations:

- a) The establishment shall have a current license from Public Health of Madison and Dane County, as required by Wis. Admin. Code ch. DHS 195.
- b) The tourist rooming house shall be the owner's primary residence.
- c) Owner shall register with Treasurer's office and shall pay room tax as required under Sec. 4.21, MGO.
- d) Only the owner of the property may operate a Tourist Rooming House, except that a renter may operate if explicitly allowed in the lease.
- e) If the operator does not occupy the residence at the time of rental, the tourist rooming house may operate no more than thirty days per licensing year; July 1st to June 30th.
- f) If the operator occupies the residence at the time of rental, there is no limit to the number of days the Tourist Rooming House may operate.
- g) Maximum tourist occupancy shall comply with maximum family occupancy rules in the underlying zoning district regulations.
- h) Each establishment shall have a registry available on-site for inspection, indicating the identity of all guests, dates of stay, acknowledgement of operator presence or absence during stay, and length of stay. The registry shall include all information from the current registry year and the year immediately prior.



Zoning/Use Scenarios



- *Can I rent a bedroom in my apartment?*

Yes, a tenant may rent a room as a TRH if the lease allows the arrangement. If the tenant stays at the unit at the time of rental, there is no limit to the number of rental days allowed per year.

- *Can I rent a room in my home?*

Yes. There is no limit to the number of days you may rent a room if you stay at the home at the time of rental.

- *Can I rent a room in my condo?*

Yes. There is no limit to the number of days you may rent a room if you stay at the home at the time of rental (See Public Health comment regarding bathrooms).

- *Can I leave my apartment and rent it?*

Yes, if the lease allows the arrangement, a maximum of 30 days in a license year (See Public Health comment regarding bathrooms).

- *Can I leave my house or condo while my TRH renter is there?*

Yes, for a maximum of 30 days in a license year.

- *I own a home that is vacant. Can I rent this home as a TRH?*

No. If you own a home that you do not live in or is not your residence, no short-term rental is allowed.

- *What if my TRH renter occupies longer than 30 consecutive days?*

TRH regulations in the zoning code do not apply to people occupying for over 30 days.

- *How many people can I rent the space to?*

Same as the limitation of occupancy for the dwelling. A family is generally considered a group of related individuals. Roomers are considered unrelated individuals. The regulation of a family plus roomers depends on the zoning of the property. Check with the zoning office to clarify the correct limit. A few scenarios:

- ◆ Typical low-density residential area, primarily single-family owner occupied homes = *family plus one roomer or no more than two unrelated individuals.*
- ◆ A multiple-family zoning district, higher density, apartments or condos = *typical occupancy is limited to a family plus four roomers, or up to five unrelated individuals.*

Public Health Madison and Dane County

Tourist Rooming House License is required. Information can be found at:
<https://www.publichealthmdc.com/environmental/licensed/hotels.cfm>

- May or may not be owner occupied at the time of the rental
- Owner can offer prepackaged, shelf-stable food, or whole fruit to their guests without a food license.
- Guests may not share bathrooms unless the house is rented to a single family.
- For unrelated guests, each bedroom must have its own bathroom or separate designated men's and women's bathrooms must be provided.
- Individual locks on the bedroom doors are required unless you rent the home to a single family.

Building Code

No building code issues beyond what is otherwise required for the residential use.

- *Is there a smoke detector rule?*
Yes, current rules for smoke detectors apply, no change required to TRH.
- *Is there a carbon monoxide rule?*
Yes, current rules for CO detectors apply, no change required for TRH.

Room Tax/Sellers Permit

Room Tax Certificate from the City of Madison Treasurer is required. Information can be found at:
<http://www.cityofmadison.com/treasurer/licensing/>

Still Have Questions?

Please feel free to call or come by the Department of Planning & Community & Economic Development to speak with one of our Zoning Staff.

Department of Planning & Community & Economic
Development
Building Inspection Division
126 S Hamilton St
P.O. Box 2984
Madison, WI 53701-2984

Phone: (608) 266-4551
<http://www.cityofmadison.com/dpced/bi/>



How can we help?



Help Center (/help)

Getting started

Account & profile

Hosting

Traveling

Experiences

Reviews
(/help/topic/203/reviews)

Business travel

Trust & safety

Taxes

Community

Policies

Give feedback
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Contact us
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San Francisco, CA

Starting September 6, 2017, Airbnb hosts can register with the City of San Francisco online by applying for their Short-Term Residential Rental Certificate and Business Registration Certificate directly from Airbnb's website instead of making a trip to City Hall. Hosts who have already registered will be able to add their registration number to their listing page and keep hosting.

When deciding whether to become an Airbnb host, it's important for you to understand the laws in your city. As a platform and marketplace we do not provide legal advice, but we want to provide some useful links that may help you better understand laws and regulations in San Francisco. This list is not exhaustive and there may be additional requirements or considerations based on your individual circumstances. If you have questions, please refer to the City's Short-Term Residential Rental Starter Kit (<http://businessportal.sfgov.org/start/starter-kits/short-term-rental>), contact the Planning Department (<http://www.sf-planning.org/>) or other city agencies directly, or consult a local lawyer or tax professional.

Business Registration and Taxes

Short-term rental operators in San Francisco must obtain a valid Business Registration Certificate. You can apply through the San Francisco Treasurer & Tax Collector's Portal (<http://sftreasurer.org/registration>). San Francisco imposes a 14% Transient Occupancy Tax ([http://www.amlegal.com/nxt/gateway.dll/California/business/article7taxontransientoccupancyf=templates\\$fn=default.htm\\$3.0\\$vid=amlegal:sanfrancisco_ca\\$anc=JD_Article7](http://www.amlegal.com/nxt/gateway.dll/California/business/article7taxontransientoccupancyf=templates$fn=default.htm$3.0$vid=amlegal:sanfrancisco_ca$anc=JD_Article7)) (TOT) on reservations of fewer than 30 nights. Airbnb collects and remits the TOT in San Francisco; more information about that process is available [here](https://www.airbnb.com/help/article/1036) (<https://www.airbnb.com/help/article/1036>).

- **Occupancy Taxes.** Airbnb is currently the only Qualified Website Company (http://sftreasurer.org/tot_host_website_merchant_faq#5) in San Francisco. This means that if you host exclusively through Airbnb, you are not required to submit TOT filings or obtain a

separate Certificate of Authority. Visit the City's TOT FAQ (http://sftreasurer.org/tot_host_website_merchant_faq) for more information. Here is a copy of our Certificate of Authority ([attachment/download/218571](#)) to collect TOT. Airbnb hosts are still required to obtain a Business Registration Certificate.

Short-Term Rental Registration

Short-term rental operators in San Francisco must also obtain a valid Short-Term Residential Rental Certificate from the Office of Short-Term Rentals in order to keep hosting on websites like Airbnb (this is separate and different from the Business Registration Certificate mentioned above). The format for this is: STR-#####. An example would be: STR-1234567.

Hosting Eligibility

- **Primary Residency Requirement.** To register your listing, you must live there for at least 275 days per year (or, if you haven't lived there for a full year, 75% of the days you have occupied the unit). This means, in effect, that your ability to share your space while you are present is unlimited, and you may rent out your entire space while you are absent for up to 90 days per year. Read more in the City's Starter Kit (<http://businessportal.sfgov.org/start/starter-kits/short-term-rental>) or on the Planning Department's information page (<http://www.sf-planning.org/index.aspx?page=4004>).
- **Liability Insurance.** The law requires hosts to maintain at least \$500,000 of liability insurance. If you host exclusively through Airbnb, our Host Protection Insurance (HPI) program (<http://www.airbnb.com/host-protection-insurance>) satisfies this requirement.
- **Rent Control.** Administrative Code, Chapters 37 and 41A ([http://www.amlegal.com/nxt/gateway.dll/California/administrative/administrativecode?f=templates\\$fn=default.htm\\$3.0\\$vid=amlegal:sanfrancisco_ca\\$sync=1](http://www.amlegal.com/nxt/gateway.dll/California/administrative/administrativecode?f=templates$fn=default.htm$3.0$vid=amlegal:sanfrancisco_ca$sync=1)) contains special rules that apply to hosts in rent-controlled properties, including limits on the amount you may collect each month from guests. If you live in a rent-controlled property, you should review these chapters carefully.
- **Building and Housing Standards.** San Francisco enforces rules and regulations specifying minimum construction, design, and maintenance standards for buildings, including regulations on habitability, health and safety. Units that are the subject of a City enforcement action related to habitability cannot be used as short-term rentals. For more information, please review the San Francisco Building Inspection Commission Codes ([http://www.amlegal.com/nxt/gateway.dll/California/business/businessandtaxregulationscof=templates\\$fn=default.htm\\$3.0\\$vid=amlegal:sanfrancisco_ca\\$sync=1](http://www.amlegal.com/nxt/gateway.dll/California/business/businessandtaxregulationscof=templates$fn=default.htm$3.0$vid=amlegal:sanfrancisco_ca$sync=1)), or contact the Building Department (<http://sfdbi.org/>) directly.
- **Other Rules.** It's also important to understand and abide by other contracts or rules that bind you, such as leases, condo board or co-op rules, HOA rules, or rules established by tenant organizations. Please read your lease agreement and check with your landlord if applicable.

Requirements for Operating your Listing

- **Reporting.** Administrative Code, Chapter 41A.5(g) ([http://library.amlegal.com/nxt/gateway.dll/California/administrative/chapter41aresidentialuif=templates\\$fn=default.htm\\$3.0\\$vid=amlegal:sanfrancisco_ca\\$sync=1](http://library.amlegal.com/nxt/gateway.dll/California/administrative/chapter41aresidentialuif=templates$fn=default.htm$3.0$vid=amlegal:sanfrancisco_ca$sync=1)) requires you to file quarterly reports in January, April, July and October disclosing the number and dates of short-term rentals

of your unit. Reports may be submitted via the Quarterly Rental Reporting Portal (<https://shorttermrentals.sfgov.org/reporting>) maintained by the City's Office of Short Term Rentals.

- **Recordkeeping.** Administrative Code, Chapter 41A.5(g) ([http://library.amlegal.com/nxt/gateway.dll/California/administrative/chapter41aresidentialuif=templates\\$fn=default.htm\\$3.0\\$vid=amlegal:sanfrancisco_ca\\$anc=JD_41A.5](http://library.amlegal.com/nxt/gateway.dll/California/administrative/chapter41aresidentialuif=templates$fn=default.htm$3.0$vid=amlegal:sanfrancisco_ca$anc=JD_41A.5)) requires you to keep records showing your compliance with the law, including records that prove primary residency, records showing how many days per year you occupy the unit, and records showing the number and dates of short-term rentals of your unit (your Airbnb dashboard will be helpful to this last requirement).
- **Safety Issues.** Administrative Code, Chapter 41A.5(g) ([http://library.amlegal.com/nxt/gateway.dll/California/administrative/chapter41aresidentialuif=templates\\$fn=default.htm\\$3.0\\$vid=amlegal:sanfrancisco_ca\\$anc=JD_41A.5](http://library.amlegal.com/nxt/gateway.dll/California/administrative/chapter41aresidentialuif=templates$fn=default.htm$3.0$vid=amlegal:sanfrancisco_ca$anc=JD_41A.5)) requires that when hosting, you must post a clearly printed sign inside your unit on the inside of the front door that provides information about the location of all fire extinguishers in the unit and building, gas shut off valves, fire exits, and pull fire alarms.

We are committed to working with local officials to help them understand how Airbnb benefits our community.

Last updated: August 28, 2017

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Airbnb

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Airbnb rentals in San Francisco may dive with new host rules

ELIZABETH WEISE | USA TODAY

Updated 4:41 p.m. CDT May 2, 2017



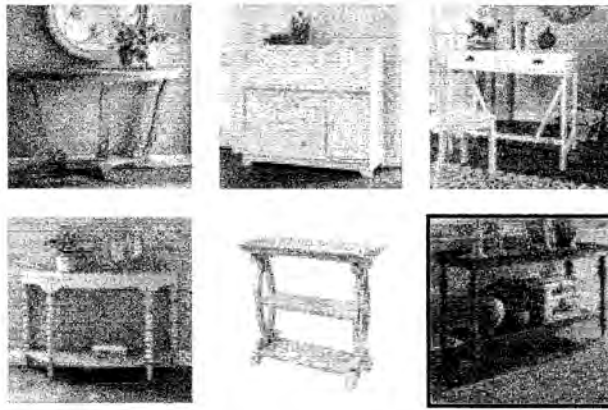
New Airbnb hosts in San Francisco must now register with the city before posting rentals on the site. The ruling comes after a settlement reached between city officials and the online temporary rental company. [Show less](#) ^

USA TODAY

SAN FRANCISCO — Airbnb and another home-sharing site settled what could be a game-changing suit with the city of San Francisco on Monday, agreeing to automatically register all hosts with the city.

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BIRCH LANE



The unanswered question is whether this will substantially cut back on the number of short-term rental spaces available in the city and by extension nationally, as other cities consider following San Francisco's lead. That could threaten the business model on which the sites are founded.





City Attorney Dennis Herrera, at podium, talks about a settlement agreement on short term rentals during a news conference Monday, May 1, 2017, at City ...

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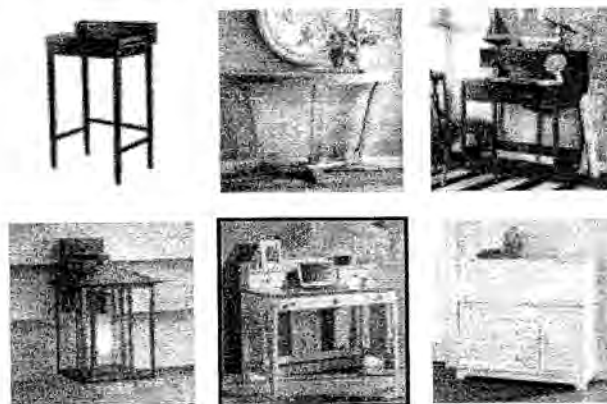
ERIC RISBERG, AP

San Francisco estimates that more than 50% of current Airbnb listings in the city aren't eligible to be registered and thus would need to stop hosting visitors unless they can comply. And many may not be able to.

"Through our investigatory hearings, we have found that the majority of Airbnb listings are illegal because they are renting out entire buildings or they're not actually residences," said Aaron Peskin, a member of the city's Board of Supervisors.

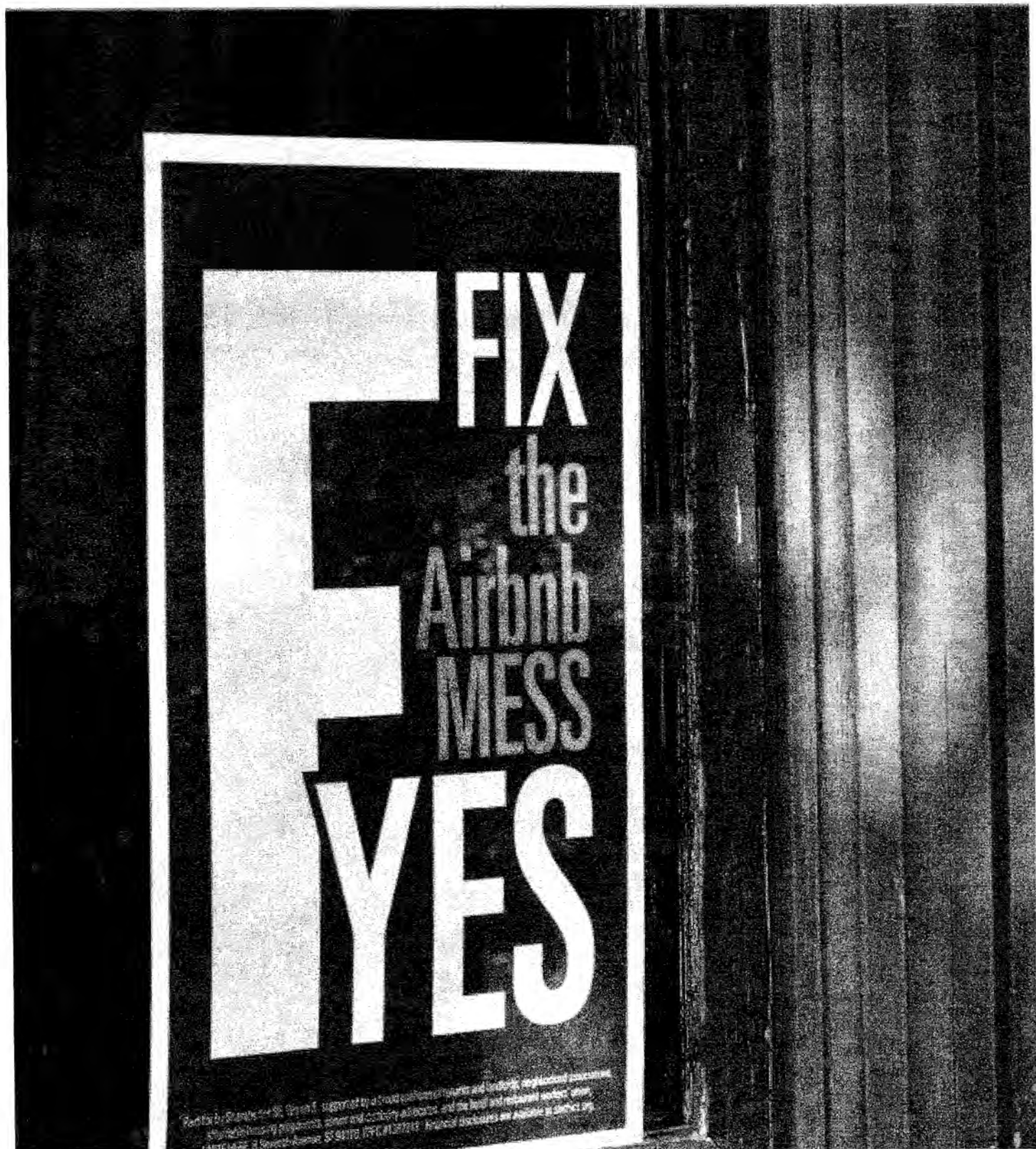
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The Supervisors are expected to vote to endorse the settlement, which begins a 240-day countdown to phase in the registration process. That could mean the available supply of Airbnb and other short-term rental spaces could shrink dramatically in 2018.

“I don’t think it’s a secret to anybody that there were a lot of folks who were gaming the system and violating the law – now the platforms will be responsible for the shifty operators,” said city attorney Dennis Herrera.





A sign in a window in San Francisco in 2015 during a bitter battle over regulation of short-term rentals in the city.

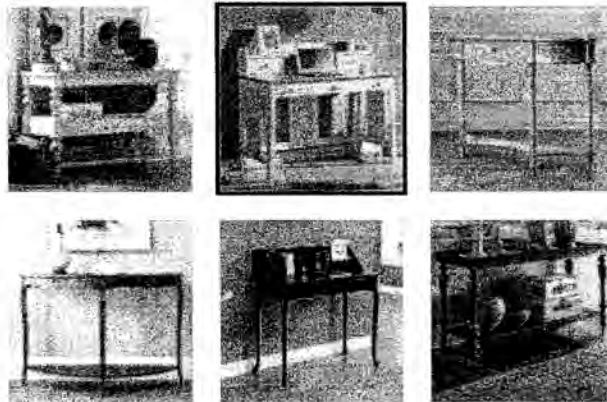
ELIZABETH WEISE

Airbnb says it's confident that its hosts will be able to comply with the newly streamlined registration process announced Monday.

The new system will “significantly reduce the friction” for hosts to register, said Airbnb’s chief of global policy Chris Lehane. The company is in the process of creating similar “pass-through registration” programs in Chicago, Denver and New Orleans, he said.

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BIRCH LANE



San Francisco, the birthplace of Airbnb, is being closely watched by other cities nationwide. Both Santa Monica and Los Angeles are considering adopting rules along the lines of San Francisco’s, said Dale Carlson, spokesperson for Sharebetter SF, a business and labor group that has lobbied

against illegal home sharing.

Airbnb's home city of San Francisco enacted rules in 2016 requiring that all hosts for short-term rentals must obtain a business license and register with the city. Other rules required that hosts could only rent out their permanent residence and no one was allowed to rent out more than one unit. Renters and condo owners needed permission from their landlords or condo association.

Airbnb and HomeAway sued the city over the rules but ended their legal challenge Monday. Under the agreement, both sites will allow their hosts to register with the city through their platforms, making it easier and more efficient for them to comply.

The elephant in the room is how many listings will actually be able to comply with the rules.

There are currently 2,100 registered short-term rental hosts in San Francisco but more than 8,000 listings for San Francisco on Airbnb, according to the city's Office of Short Term Rentals.

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"This is a big deal, it's a big deterrent if other cities follow suit. But Airbnb

isn't dead, it certainly has more to its business model," said Andra Ghent a professor of real estate and urban land economics at the University of Wisconsin-Madison.

Airbnb and HomeAway could also get dinged if their hosts don't follow the cities rules. Platforms that provide booking services and receive a fee for the booking could be subject to fines of up to \$1,000 per day for each illegal booking transaction under the rules. They would be required to cancel future stays and deactivate listings after receiving notice from the city of an invalid registration.

HomeAway, an Austin, Texas-based vacation rental marketplace, said it was pleased with the agreement.

"We look forward to continuing to work with the city on reasonable regulations for vacation rentals that balance the needs of communities with our owners' rights to rent their properties," said Philip Minardi, the company's director of policy communications.

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"This is a turning point when it comes to enforcement," Herrera said. "This will help prevent our precious housing stock from being illegally turned into de facto hotels."

Peter Kwan, a five-year Airbnb host, thinks the process will end up resulting in more listings.

"It may reduce the number in the short term, but in the long term the certainty and clarity may encourage people to get into short-term rentals."


Kwan, who is co-chair of the HomeSharers Democratic Club of San Francisco, says many would-be hosts have been scared away because of the political controversy around hosting in San Francisco.

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"Hopefully with this agreement that will be removed, as people see there's now a clear process with the city," said

Originally Published 5:01 p.m. CDT May 1, 2017

Updated 4:41 p.m. CDT May 2, 2017

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Man renting Minnetonka Airbnb charged with attempting to sexually assault 7-year-old

The Michigan man is charged with felony second-degree criminal sexual conduct of a victim under 13. He remains jailed in lieu of \$250,000 bail.

SEPTEMBER 26, 2017 — 8:48PM

A man renting a bedroom as an Airbnb guest at a Minnetonka home is charged with attempting to sexually assault a 7-year-old girl who lived there, according to Hennepin County prosecutors.

Derrick Aaron Kinchen, 28, of Michigan, is charged with felony second-degree criminal sexual conduct of a victim under 13. He remains jailed in lieu of \$250,000 bail with his first court appearance set for Wednesday.

According to charges, police were called at 12:22 a.m. Sunday in response to a report of an attempted attack on the girl. The girl's father said Kinchen had rented their spare bedroom through the Airbnb website. The man said he and his wife had put their daughter to sleep in their bedroom earlier in the evening. Around midnight, he heard Kinchen arrive home from a wedding. About 15 minutes later, the father walked into his bedroom where the lights were on and saw Kinchen lying on the bed naked next to his daughter. The father yelled at Kinchen, who grabbed his suit coat and wallet and fled.

Police searched the area with a K-9 and found Kinchen hiding in a partly covered fishing boat next door. Charges say he was naked except for his suit coat.

In an interview with investigators, the girl said she woke up to Kinchen entering her parents' bedroom naked. Kinchen whispered something into her ear and she "felt like (Kinchen) wanted her to keep a secret from her mom and dad." He then allegedly pulled down her underwear, which she pulled back up, and asked her to touch him when her father then entered the room and yelled at Kinchen.

In a statement Airbnb spokesman Ben Breit said hosts and guests alike are regularly screened.

"The reported abhorrent behavior has no place on Airbnb and we will not tolerate it," Breit said in a statement. "We are focused on providing our host family with our full support, we are working with the local police to ensure they have our assistance, and we banned this user from our community. Keeping our community safe is the most important thing we do. None of our hosts should ever have to deal with anything like this."

STAFF REPORT

Local Press

J.S. Hotel Industry Locks Horns With Airbnb

CHRIS KIRKHAM

Airbnb Inc. and the hotel industry have waged a shadow war in cities and states across the U.S. that are grappling with how to regulate the popular short-term rental market. The stakes are high: Closely tied Airbnb has a \$31 billion valuation, according to people familiar with the matter, and its market share has more than doubled its worldwide listings over the past two years.

The industry stands to lose market share as Airbnb continues to grow. A Morgan Stanley report last year found that nearly half of Airbnb users surveyed had substituted Airbnb for a traditional hotel during their travels in the past year. While many hotel executives have sought to play down the threat, the industry's lobbying group has sharpened its attack and developed campaigns with affordable housing advocates and other neighborhood groups. Meanwhile, Airbnb has organized residents who show up at hearings where they stress how it provides supplemental income. As far as the resources go toward this issue, I've never seen anything quite like this," Los Angeles City Council member Marqueece Harris-Dawson said in a recent interview. Los Angeles is the latest battleground, with its city

Lobbying Efforts Focus on Initiatives In States, Cities

Airbnb spent at least \$1.5 million lobbying state governments across the U.S. including California, Florida and New York last year, up from roughly \$800,000 in 2015, according to data from the National Institute on Money in State Politics.

A council expected to begin crafting regulations this fall that could limit the number of days Airbnb hosts can rent out homes. Mr. Harris-Dawson has been impressed with how Airbnb has organized hosts, who he said approach him at events to discuss rental rules. AirbnbWatch is an example of a hotel industry-funded effort that doesn't look like one. Internal board meeting documents from the American Hotel & Lodging Association last year say the trade group "stood up" AirbnbWatch as a way of "gathering stories of short-term rental's harms" and "highlighting Airbnb's lack of transparency."

Another AHLA document from August, reviewed by The Wall Street Journal, outlines a strategy for the next year intended to create partnerships

Hotel industry associations, corporations and hotel unions spent at least \$28 million on state government lobbying last year, but industry officials point out the short-term rental issue is just one of many industry priorities.

Airbnb has also poured significant resources into lobbying cities that are considering new restrictions. Over the past year in Los Angeles, Airbnb has spent nearly \$1.9 million on lobbying there, compared with

with "groups, think tanks and other credible voices to weigh in on this issue."

On its website, AirbnbWatch advertises itself as a project of American Family Voices, a communications firm that wants to "fill gaps in the progressive movement."

Mike Lux, a former Clinton administration staffer who is president of the group, said he has often opposed the hotel industry on wage and workplace issues, but "on this particular issue, they obviously are in alignment."

Troy Flanagan, vice president of state and local government affairs for the American Hotel & Lodging Association, said its relationships with local advocates are "partnerships in a coalition setting," while Airbnb's approach is to flood

about \$288,000 for a coalition of hotel industry groups, labor unions and other groups.

Airbnb's growth has slowed over the last year as some major markets have tackled short-term rentals, and its big spending has had mixed results. In 2015, the company successfully lobbied against a voter initiative in San Francisco that would have restricted short-term rentals, outspending opponents 16 to one.

city and state government with professional lobbyists.

The hotel industry, along with hotel workers' unions, have also funded organizations such as Keep Neighborhoods First in Los Angeles, as well as ShareBetter, which has chapters in New York, Los Angeles, San Francisco and Washington.

Airbnb, meanwhile, is helping fund the Checks and Balances Project, a "public watchdog blog" that has gone after the industry, particularly when it funds research about short-term rentals. After the site said it would accept funding from Airbnb last fall, the group filed an ethics complaint against John O'Neill, a Penn State professor who was analyzing data on Airbnb hosts and had accepted funding from American Hotel & Lodging Association.

A Penn State spokeswoman said an investigation concluded he was "in compliance with university policy." M. O'Neill said the research was presented at a hospitality academic conference this year.

The group similarly targeted a professor at Florida International University who was considering a grant from the hotel association to study safety issues in short-term rental properties. Mike Hampton, dean of FIU's hospitality school, said the university decided not to pursue the study because of disagreements about the grant contract, but he viewed the group's campaign as "an intimidation process" to "stall or stop the study."

Scott Peterson, the executive director of Checks and Balances Project, didn't respond to requests for comment, but his site acknowledges it accepts funding from Airbnb.

Airbnb spokesman Nick Pappas said the company has "absolutely been public" about its support of Checks and Balances and efforts to "expose secret relationships between academics and the big hotel industry."

He added that the platform's approach is through lobbying and campaign expenditures, as opposed to funding grassroots efforts that can't be tracked through public records.

—Greg Bensinger contributed to this article.