

From: CHARLES R STEFFEL [<mailto:crsteffel@icloud.com>]
Sent: Friday, October 13, 2017 4:45 PM
To: #CI-StPaul_Ward3
Subject: Airbnbs in St. Paul should be regulated the same as Minneapolis

Council member Chris Tolbert,
I live in your ward near Macalester College. I have been an Airbnb host in my home for the past 2 years. I rent out a bedroom, sitting area and bathroom in my upstairs. I am owner occupied. Eighty percent of my guests are Macalester related, either parents visiting, reunions, trustees. I provide a service for people wishing to visit Macalester. There are no hotels nearby. My guests come from all over the country, and I've had international guests as well. I am the face of St Paul. I send my guests to local owned restaurants and businesses near by. I am a vital part of St. Paul's economy.

I have lived in my home for 33 years. My property taxes have sky rocketed and will continue to go up as St. Paul continues to fund everything on the backs of homeowners. I use the income from my Airbnb to help pay for my property taxes. My husband and I are both retired. We have a fixed income. I rent out my space 7 to 9 nights a month. (That's all the nights I want to rent out in a month.) It's limited to 3 people. I have many repeat guests. My neighbors all know I run an Airbnb out of my house, with no complaints.

If I lived in Minneapolis, I would not pay for a license. Nor would I be regulated. I want St. Paul to do the same. Why are the regulations different for the two cities? Why does St. Paul need to be more regulated with added fees? Is this another way for St. Paul homeowners to fund St. Paul?

I urge you to think differently about home occupied Airbnbs. We live on the premise. We often act as tourist guides. We play a vital role in St. Paul's economy.

Sincerely,
Michelle Kunz
Ward 3 constituent

From: Donovan Joseph Roediger [<mailto:djr339@nyu.edu>]
Sent: Monday, October 16, 2017 8:50 PM
To: #CI-StPaul_Ward3
Subject: Commercial Abuse of Short Term Rental Platforms

Dear Councilman Tolbert,

I am writing again to urge you to amend the Ord 17-38 by removing the "50%, up to four" rule and replacing it with a simpler limit on the number of permits available to any one person.

While the discussion at the hearings thus far has focused on small time operations by average local residents, the Council should pay attention to the how large scale property investors are beginning to use Airbnb to squeeze more money out of their properties. Madison Equities, for instance, has thus far converted 10 apartments in the Lowry Building to short term rentals. The owner expressed his intent in the Pioneer Press to eventually convert the entire building (~150 units). Hundreds of residents are losing their homes because of this and the largest block of affordable housing in that part of Downtown is now off the market.

As the ordinance is currently written, a large scale property owner could convert half of their long term units to short term units so long as they follow the 50% rule in each building. Mint Properties, for instance, would be allowed to convert 50+ of their 100+ 4-plex units to more profitable short term models. That's not homesharing, that's a distributed hotel. And it's especially damaging to areas around downtown where concerts and sporting events create enough demand for short term lodging that these companies have a real financial incentive to convert their units to the Airbnb model.

Capping the permits available *per person* will allow safe, lawful homesharing on a small scale while ensuring that large scale investors don't follow in the footsteps of Madison Equities by abusing the platform.

Thank you for your time.

Cheers,

Donovan Roediger

345 N Wabasha

Councilmember Brendmoen received a telephone call this a.m. from Ms. Gayle Middlecamp, 1077 Barret St, with comments regarding the Short-Term Rental Ordinance changes on today's council agenda. She's asked that I share her comments for public record and with the other CMs.

1. She's concerned with the new fee for platforms which she believes will create a monopoly for Air B & B's.
2. She's also concerned about new restriction that the platform can be asked to remove a web site listing. She believes this ability should be much more restrictive and that if permit is done through DSI that they should be the entity with the ability to remove listings.

Sean Doyle called with concerns about changes to the Short Term Rental ordinances. The first one has to do with the minimum distance between units. He feels that should be stricken and not regulated so harshly. The second has to do with upping the platform fees. He said he wonders about smaller platforms being able to afford it, and suggested a structure based on number of rentals or something similar.

From: sarina@sarinastone.com [<mailto:sarina@sarinastone.com>]
Sent: Wednesday, October 18, 2017 2:21 PM
To: #CI-StPaul_Ward7 <Ward7@ci.stpaul.mn.us>
Subject: Home Share language issue for tonights meeting

Dear Council Member Prince,

Thank you for all the hard work and research you have put in to Home Sharing in St. Paul. I know this issue will be on the table again tonight and I have two serious concerns with the current language on two points. Please help us.

These are the two issues we see in Saint Paul:

1. Hosts who have gone through the expensive hassle of obtaining a Conditional Use Permit to allow for more people in their houses would face another challenge. Per new proposed language, dwellings with permits to hold more people can't be closer than 1000 feet from each other's property. 1,000 feet is 3 city blocks! In one direction. Effectively, that means that only one large home could be used as a Short Term Rental in an area SIX BLOCKS WIDE! That means, in neighborhoods filled with big old beautiful homes or big cool lofts, only one will be allowed to hold more than 4 unrelated people.

I respectfully request that this language be removed, as it stifles competition.

The Second Saint Paul Issue:

2. New proposed language decreases the STR host license fee from \$70 to \$40, which is great. However, it also increases the platform fee from \$7,000 to \$10,000, without making any allowance for the small, local platforms that are currently operating in the city. Little mom-and-pop platforms will not be able to afford this fee, and will have to stop doing business in Saint Paul. Any new platforms, even if they are large in other parts of the world, will not want to start trying to do business in Saint Paul. Obviously, this is not in the best interests of hosts – we want the flexibility to use different platforms and keep the marketplace competitive.

I respectfully request that the city change to a fee structure that is calculated per reservation, or as a percentage of the total reservation cost. That would be more fair to smaller platforms, and will help to keep platform competition healthy in Saint Paul.

Thank you again,
Sarina Stone
55104, St. Paul resident

Dear Councilmember,

I am writing to urge you to amend the Ord 17-38 by removing the "50%, up to four" rule and replacing it with a simpler limit on the number of permits available to any one person.

While the discussion at the hearings has thus far focused on small time operations by average local residents, the Council should pay attention to the how large scale property investors in Saint Paul are

beginning to use Airbnb to squeeze more money out of their properties. Madison Equities, for instance, has thus far converted 10 apartments in the Lowry Building to short term rentals on Airbnb. The owner expressed his intent in the Pioneer Press to slowly convert the entire building (~150 units). Hundreds of residents are losing their homes because of this and the largest block of affordable housing in that part of Downtown is now off the market.

As the ordinance is currently written, a large scale property owner could convert half of their long term units to short term units so long as they follow the 50% rule in each building. Mint Properties, for instance, would be allowed to convert 50+ of their 100+ 4-plex units to more profitable short term models. That's not homesharing, that's a distributed hotel. And it's especially damaging to neighborhoods near downtown where concerts and sporting events create enough demand for short term lodging that these companies have a real financial incentive to convert their units to the Airbnb model.

Capping the permits available *per person* will allow safe, lawful homesharing on a small scale while ensuring that large scale investors don't follow in the footsteps of Madison Equities by abusing a platform meant for average residents renting out their extra space.

Thank you for your time.

Donovan Roediger
345 N Wabasha

Jesse jinkers87@yahoo.com

Hello,

I am a Airbnb host in St. Paul. I agree that there needs to be some regulations regarding short term hosts for the sake of our neighbors but I strongly disagree with the new regulations.

The home we use for hosting is located on Summit Ave.

My wife inherited the home and all the bills that go along with it. The last 3 years we have been struggling to keep up with the property as well as the extremely high property taxes.

Airbnb as well as VRBO have changed our lives in dramatic fashion. We can now afford the bills, the taxes as well as schooling for our son.

We were on the verge of selling the property until we used it as a part time short term rental. The new regulations regarding only 4 adults on the property in a 1000 feet radius will put us out of business as well as force us to sell.

We have hosted several of guests with no problems to our neighbors or any damage to our property. Please reconsider a more fair policy as 4 adults per house in a 1000ft radius is extremely unfair and only benefits bed and breakfast owners.

Please consider the families that depend on this extra income as I am sure that we are not the only ones.

Jesse

From: Stacey Johnson [<mailto:stacey@spararealty.com>]

Sent: Tuesday, October 24, 2017 11:30 AM

To: #CI-StPaul_Ward1

Subject: Short term vacation rentals

Councilman Dai Thao,

I want to thank you for your work and responsiveness to the issue I raised at the public hearing a few weeks ago – limiting a triplex to just one short term rental.

I just saw that the ordinance will be amended to allow 3 short term rentals in a triplex that is owner occupied. It is only logical that if a duplex can potentially have all units rented on a short term basis, that the same would hold true for a triplex or 4-plex.

The requirement that it be owner occupied doesn't make sense to me, especially in RM2 zoning, which is established to support a "variety of congregate living arrangements." I purchased the triplex I own in 2012 as an investment property and not as my primary residence. I paid a sales price that was commensurate with the revenue/income it generated – typically a function of cap rate and ROI. Those numbers only work when "not" living in it so that every unit can generate revenue.

As an investor in real estate the goal is always to utilize a property to its "highest and best use," a term that is common in appraising property to establish value. All prudent investors seek to determine the highest and best use to maximize profit of their investment property. I saw an unmet need in the community and decided to provide short term housing to meet it; and began a lengthy process to improve/update each unit and furnish them. I have invested about \$200,000 in last 4 years in my triplex. The last being a total remodel of one of the units so it could be a third short term rental. This last investment was \$50,000.

Living in one of the units to allow all three units to be short term seems arbitrary, not to mention I have a daughter and each unit is just one bedroom. I feel my hands are being tied and I am being arbitrarily thwarted in my pursuit of capitalism and seeking the best business model for my investment property. If I have a CO, collect/remit taxes, pay the licensing fee, and zoning allows multi-family housing..... why should I have to live in my investment property to have 3 short term rentals?

It seems particularly arbitrary when I consider that the property to the west of me is a 14 unit apartment building, the property to the east is a 4 unit property (which I used to own,) behind me are several large condo buildings, across the street is a sober house, and about 400 feet away is a shelter for battered women. Not one of these are owner occupied and yet the owner can operate them to the highest and best use they've determined without living in the property.

I currently live 8 blocks away from the triplex and almost everyday I am at the property as a very hands on operator. Most of my neighbors have used my rentals for their relatives and company and LOVE that this service exists in our wonderful neighborhood. Additionally, I have never had a complaint from any neighbors – ever!

Because of these reasons I would ask that the City Council strongly look at zoning in regards to this owner-occupied stipulation.

Lastly, it is worth noting that not only is the property already a multi-family with a certificate of occupancy (very clean record,) but I have additionally been collecting and remitting taxes to the city of St. Paul for some time.....even though no regulation enforcing such has existed. I have over 120 positive reviews from guests and take incredible pride in maintaining this historic gem.

Any and all assistance in this matter would be appreciated, including a possible Conditional Use Permit should the owner occupied component remain.

Thanks again in advance for your support.

Stacey Johnson