



INFORMATIONAL MEMORANDUM

TO: Community Development and Neighborhoods Committee

FROM: Jack Pace, DCD Director

BY: Charlotte Archer, Asst. City Attorney; Nora Gierloff, Deputy DCD Director; Minnie Dhaliwal, Planning Supervisor

CC: Mayor Ekberg

DATE: March 6, 2018

SUBJECT: Short-term Rental Regulations

ISSUE

Should Tukwila update its short-term residential rental regulations to address ADUs and single family houses?

BACKGROUND

In conjunction with the City's discussions pertaining to detached accessory dwelling unit (ADU) regulations, which began in March 2017, the City Council requested a review of the City's regulation of short-term (defined as a period of less than thirty days) rentals within the City.

This review was intended to focus on the use of single-family and multi-family residences, as well as both attached and detached ADUs, for the purpose of obtaining rental income, commonly via an online marketplace such as HomeAway, Vacation Rental By Owner ("VRBO") or AirBnB. Anecdotally, property owners in the City are using their residential structures for both short- and long-term rentals on a regular basis (see Attachment A). The intention for this project was to review and revise, where necessary, the standards for rentals.¹

A. Existing Regulations for Short and Long-term Rentals.

Whether a particular residential building located within the City may be used as a short-term or long-term rental is determined by the regulations set out in Title 18 TMC Zoning Code. Currently, multi-family dwellings shall not be used for a rental tenancy of less than one month. See TMC 18.06.247. There is no prohibition on the use of a multi-family dwelling as a long-term rental.

¹ Beyond the scope of this analysis are the following, which are subject to distinct regulations: Assisted Living Facilities (TMC 18.06.058); Continuing Care Retirement Communities (TMC 18.06.170); Convalescent/Nursing Homes (TMC 18.06.173); Correctional Institutions, including transitional housing (TMC 18.06.178); Extended-Stay Hotel or Motels (TMC 18.06.287); Hotels (TMC 18.06.440); Motels (TMC 18.06.585); Secure Community Transitional Facilities (TMC 18.06.706); Senior Citizen Housing (TMC 18.06.708); Shelters (TMC 18.06.743); commercial properties used for the purposes of short-term and extended-stay housing, such as motels, hotels, and extended stay motels.

There is no restriction on the use of a single-family dwelling as a short- or long-term rental. Similarly, there is no restriction on the use of mobile home dwellings in mobile home parks for short- or long-term rentals. Moreover, Tukwila's current standards for attached ADUs permit the rental of the ADU but require owner-occupancy of either the primary residence or ADU. The draft ADU ordinance that allows detached ADUs has a placeholder ban on rentals of less than 30 days. That could be modified based on the Council's overall decision about short-term rentals.

There are other categories of uses that may be used for short- and long-term rentals, including:

- Dormitories defined as "a residential building or use which provides housing for students attending an affiliated school or housing for members of a religious order."
- Boarding House defined as "a residential building which provides housing on a short-term commercial basis for tenants" is a conditional use in the MDR and HDR zones.
- Bed and breakfast facilities defined as "an owner occupied dwelling unit that contains guest rooms where lodging is provided for compensation," are permitted in the LDR, MDR and HDR zones as conditional uses (for up to twelve guests), and guests shall be limited to a 14-day maximum length of stay. Tukwila has never received an application for a bed and breakfast conditional use permit.

Two other residential uses currently not identified in the TMC may also be affected by an amendment to the City's existing regulations for short- and long-term rentals. First, adult family homes (AFH)² could arguably be considered residential properties used for rental purposes; however, state law prohibits the City from enacting regulations that put up a road-block to the placement of AFHs in all areas zoned for residential purposes. Second, the same analysis would likely apply to a residence used to house people with disabilities, including the recovery from a drug addiction.³

B. Existing Licensure Requirements for Rental Properties.

Tukwila's Residential Rental Business License and Inspection Program, codified at Chapter 5.06 of the Tukwila Municipal Code (TMC), establishes an annual rental licensure requirement for all "units" intended for rent. Each dwelling unit must be inspected for life safety issues every four years and a Certificate of Compliance is issued by the City for those units that meet all requirements. The code is silent about whether it applies to short-term rentals.

C. Regulation of Short-Term Rentals by Neighboring Jurisdictions.

Staff analyzed the methods other cities in Washington utilize to regulate short-term rentals to develop a proposed model for Tukwila, see Attachment B. This issue is currently being debated in many jurisdictions in Washington in light of the dramatic recent growth of major companies in the short-term rental industry, as well as the housing crisis in the greater Seattle area.

² Adult family homes are defined by state law as "a residential home in which a person or persons provide personal care, special care, room, and board to more than one but not more than six adults who are not related by blood or marriage to the person or persons providing the services." RCW 70.128.010.

³ See RCW 36.70.990.

On December 11, 2017, Seattle adopted new regulations to prevent property owners from operating short-term rentals as if they were hotels, as part of a larger effort to ensure an adequate supply of long-term rental stock for the City's permanent residents, see Attachment C. The new regulations limit hosts to two dwelling units each and requires a special license to operate said rentals. The City also requires short-term rental platforms, such as AirBnB, HomeAway and VRBO, to obtain a special "platform license" to facilitate bookings in Seattle. In advance of adopting these regulations, the City approved a new tax on short-term rentals, again designed to prevent property owners from operating short-term rentals as if they were hotels.

Similarly, in October 2017, the City of Kirkland adopted Ordinance O-4607, which regulates rentals lasting for less than thirty days. Properties must be owner-occupied at least 245 days per year and a "Short-Term Rental Business License" from the City is required. The use of an ADU as a short-term rental is allowed for up to 120 days per year, as long as the property owner (or authorized agent) occupy the primary residence for at least 245 days per year. A property manager must live within 15 miles of the residence when residence is used for short-term rental purposes. The City further dictates terms that must be included in the rental agreement, including a provision that "encourages renters to exercise best efforts to avoid conflicts with neighbors related to issues such as noise, littering, parking and trespass." The City also requires a business license for long-term rentals, including owner-occupants with a roommate.

ANALYSIS

Council is being asked to set a policy direction on short-term rentals.

A. Advantages of Permitting Short-Term Rentals.

Given the results of Staff's search (see Attachment A), there appears to be an existing marketplace for the short-term (defined as 29 days or less) rental of single- and multi-family dwellings in the City. This is occurring despite the codified prohibition on the use of multi-family dwellings for this purpose.

From a policy perspective, short-term rentals bring numerous benefits to those who operate them, their visitors, and the surrounding neighborhood. Many individuals use short-term rentals to help afford their own home, either renting out a basement, a spare room, or the entire home when they are out of town themselves. They provide a flexible means for homeowners to earn more money than by renting out their property on a long-term basis. For visitors, short-term rentals often offer a more affordable option, and short-term rentals bring tourists and their collective spending power to Tukwila.

B. Disadvantages of Permitting Short-Term Rentals.

The rise in the use of rental properties as short-term rentals has also had negative impacts in communities throughout Washington. Short-term rentals can artificially inflate rental costs, and the more commercial use of short-term rental platforms has taken entire houses, condos and apartments off the long-term housing market. Some short-term rentals attract disruptive visitors, who are essentially vacationing within residential areas, and can have negative impacts on property values. Some studies have indicated some commercialized short-term rentals impact the hotel industry and the larger business community, by circumventing traditional lodging taxes.

Short-term rentals may also contribute to creating a transient community and increase parking demand in residential areas.

Some of these negative effects may be mitigated by only allowing rentals of rooms within owner occupied dwellings as opposed to entire units. However, regulating the short or long-term rental of individual rooms within an owner-occupied dwelling would be a significant expansion of the Residential Rental Business License program. Additionally, without cooperation from the online rental platforms it is difficult to identify properties and enforce the current short-term rental regulations. We receive lodging tax as a lump sum and AirBnB only reports aggregate rental data, rather than by address.

Currently, the City has no permitted Bed and Breakfast facilities. This appears to be a somewhat antiquated form of residential use, with the rise of AirBnB and other online alternatives. The City is aware of a few Boarding Houses within the City and there are ongoing code enforcement complaints relating to un-permitted Boarding Houses in the LDR zoning district (where this use is prohibited). The existing definition of a Boarding House makes this regulation difficult to enforce, given its use of undefined terms like “short-term” and “commercial basis.” Similarly, there is no cap on the number of tenants that may reside in one residential building, no requirement that the building is owner-occupied, and no other relevant regulations such as higher parking standards.

C. Options.

With this context in mind, the City could opt to prohibit short-term rental of all dwelling units within the City, including entire single-family residences, rooms within owner-occupied residences, multi-family residences, ADUs (attached and detached), mobile and manufactured homes, Bed and Breakfast facilities, and Boarding Houses.

Alternatively, the City could permit the use of some or all types of dwelling units as short-term rentals, subject to restrictions such as:

- (1) limitations on the number of lease agreements per dwelling unit;
- (2) caps on the number of occupants per bedroom;
- (3) the length of time the dwelling unit may be occupied by a tenant within a calendar year;
- (4) require certain amount of parking stalls for the property, if used for rental purposes;
and/or
- (5) owner-occupancy requirements.

As discussed briefly above, there are additional restrictions from state law on regulations for adult family homes and inpatient substance abuse facilities. The City Attorney would craft language for these uses based on the overall direction from Council.

FINANCIAL IMPACT

Allowing short-term rentals and requiring them to be licensed would modestly increase the revenue to the Rental Housing Program. Enhanced enforcement of short-term rental restrictions would require additional resources.

RECOMMENDATION

The Council is being asked to review Tukwila's short-term residential rental regulations, chose to allow or prohibit the different types of short-term rentals, and send the issue to the Planning Commission for a public hearing and recommendation.

ATTACHMENTS:

- A. Results of Staff Review of Rental Listings.
- B. Table of Neighboring Jurisdictions' Regulation of Short-term Rental Properties
- C. Regulating Short Term Rentals Seattle Policy Brief

ATTACHMENT A

Staff Research Regarding Existing Short-Term Rental Stock

Staff reviewed the inventory of short-term rental properties (as advertised on Craigslist, VRBO and AirBnB), in order to determine the scope of the existing use of these services. A review of AirBnB and VRBO, on December 28, 2017, found approximately 35 short-term rentals offered in Tukwila, including the following:

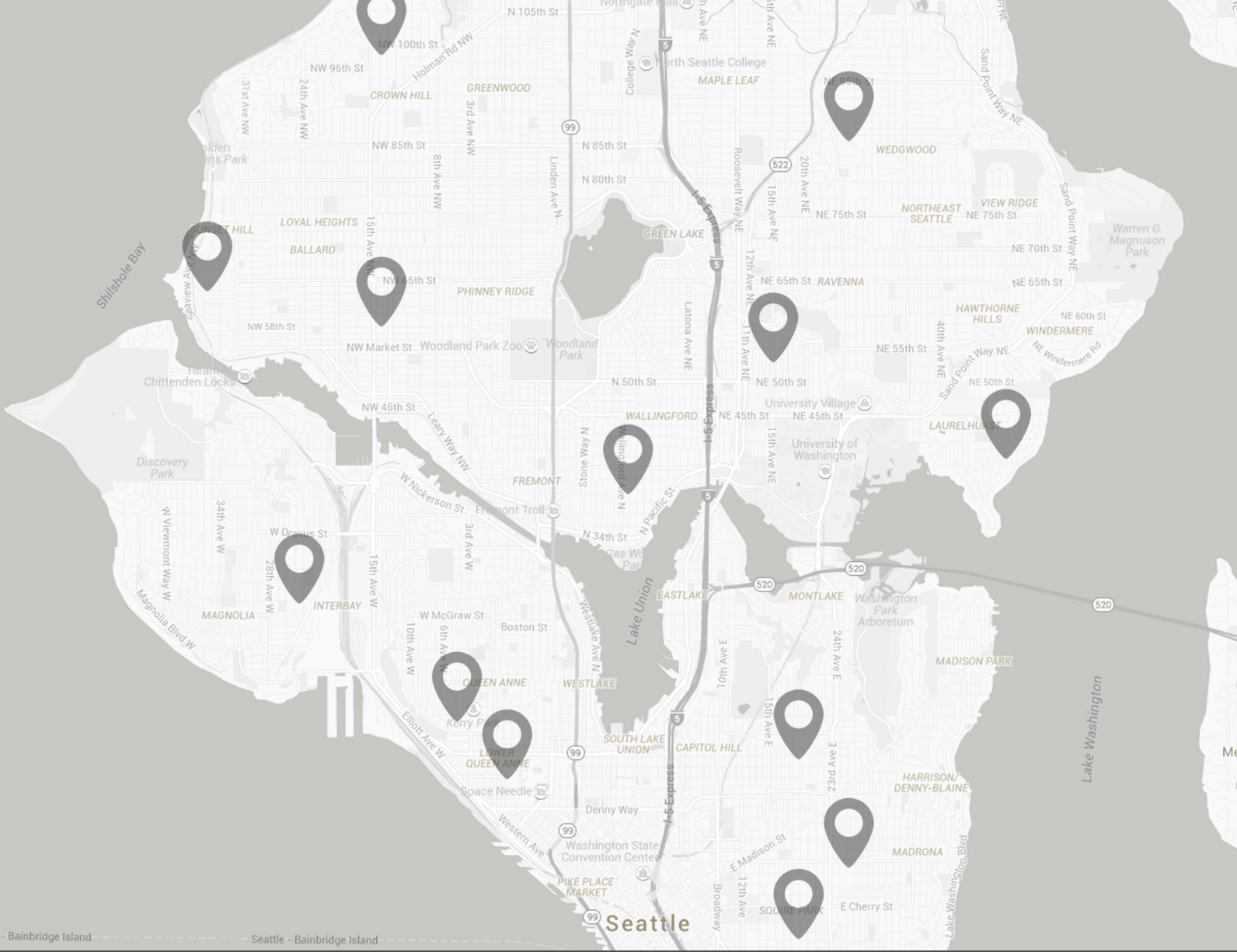
- Three bedroom home, for \$149/night
- Private room in single family home, for \$38/night
- Towne and Country Hotel, Furnished 3 bedroom suite for \$250/night
- Two bedroom condo, for \$135/night
- One bedroom condo, for \$85/night
- Studio cabin (ADU), for \$55/night
- Guesthouse (ADU), for \$65/night
- Room in single family home with private bath, for \$40/night
- Private room in single family house, for \$56/night
- Private room in three-bedroom apartment, for \$60/night
- Single family home, for \$112/night
- Detached ADU (Cottage), for \$80/night
- Private room in single family home, for \$45/night
- Two bedroom apartment, \$120/night

ATTACHMENT B

Neighboring Jurisdictions’ Regulation of Short-Term Rentals

Jurisdiction	Single-Family Residences	ADUs (Detached or Attached)	Multi-Family Residences	Licensure Requirements (if any)	Relevant Code Citations
Poulsbo	Permitted	Prohibited	Prohibited	None	PMC 18.70.070
San Juan County	Permitted, no more than 3 ⁴ guests per bedroom; parking required	Permitted (attached only), max 3 guests per bedroom; parking required; owner must occupy ADU or primary residence	Permitted in Commercial zone only	“Vacation Rental Permit” required	SJCC 18.40.270
Clyde Hill	Permitted, with limits on occupancy, parking, and use (for lodging only, can't be used for events)	Permitted, with limitations on occupancy, parking, and use (for lodging only, can't be used for events)	Permitted, with limits on occupancy, parking, and use (for lodging only, can't be used for events)	Business License Required	Ch. 5.20 CHMC
Ilwaco	Conditional use in single-family, zones with limits on occupancy and parking.	Permitted use in certain specified zones	Permitted use in certain zones	Business License Required	Ch. 15.41 IMC
Leavenworth	Prohibits use of entire dwellings as vacation rentals; permits short-term rental of a portion of a home when the property owner lives on-site throughout the visitor's stay with appropriate permits, including a business license	Permitted, subject to owner-occupancy requirement and permitting	Prohibited	Business License Required	LMC 18.52.120
Westport	Permitted, subject to occupancy cap, parking and other standards	Permitted, but only 1 vacation rental unit per “property”	Prohibited	Business License Required	Ch. 17.22 WMC

⁴ San Juan County Council is currently considering legislation to reduce this to two guests per bedroom.



REGULATING SHORT TERM RENTALS POLICY BRIEF

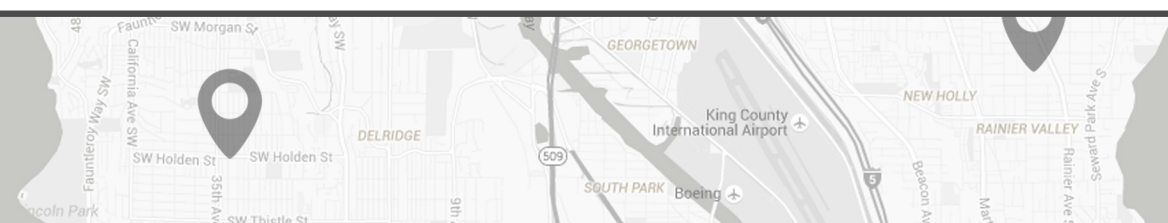
OFFICE OF COUNCILMEMBER TIM BURGESS

 SEATTLE CITY COUNCIL

Please Direct Questions to Seferiana Day / Office of Councilmember Tim Burgess
seferiana.day@seattle.gov / 206-684-8806 / 600 4th Ave . 2nd Floor . Seattle, WA 98104

UPDATED APRIL 2017

Attachment C



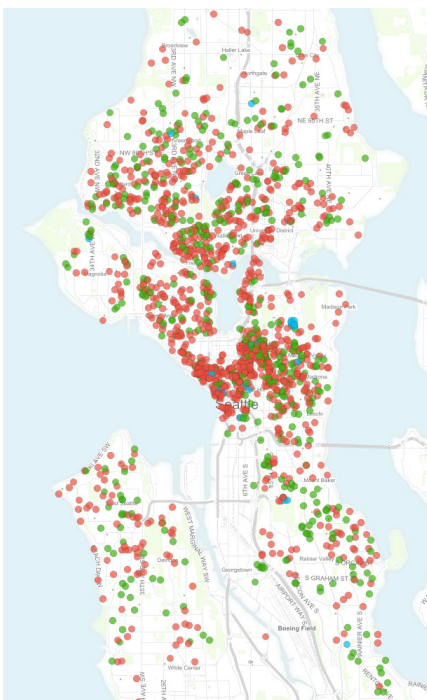
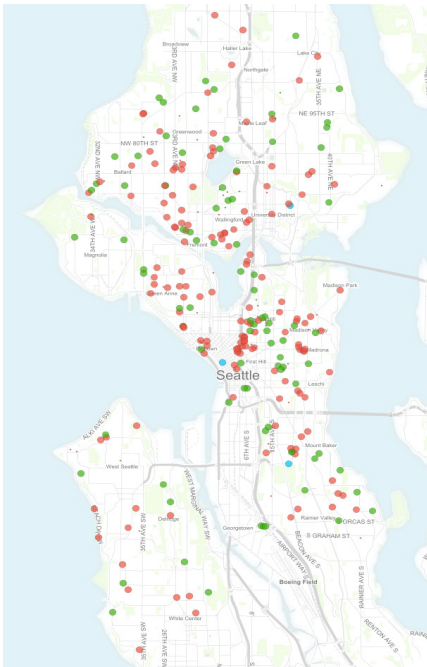
Introduction

For many years, short term home rentals have been a popular lodging choice for travelers in Europe and certain high volume tourist destinations in the United States. With the advent of technology-based online platforms that facilitate the marketing and booking of short term rentals, this market has rapidly expanded across the globe.

One need only look at the rise of two of the major companies in the short term rental industry to view the incredibly fast pace of growth. Airbnb received its first \$20,000 seed grant in 2009.¹ In December 2015, less than seven years later, the company confirmed a round of \$1.5 billion in venture capital funding, bringing its total valuation up to \$25.5 billion.² Its website now touts more than 2 million listings available in 34,000 cities across 191 countries.³

HomeAway, another vacation rental company that includes the website VRBO.com (Vacation Rentals by Owner), launched in 2006 and also grew rapidly; the company's website states its annual revenue increased 28.9% in 2014 over the prior year.⁴ Previously a publicly traded company on the NASDAQ exchange, Homeaway was acquired by Expedia in late 2015 for \$3.9 billion, a price nearly 20% higher than its market value at that point.⁵ It currently offers more than 1 million listings in 190 countries.⁶

No evidence suggests that the growth of this industry in Seattle is any different. While Seattle-specific data has not been made publicly available by major players in the short term rental marketplace, external websites scrub Airbnb listings data and aggregate the information for market analysis. These websites show recent rapid growth in the number of listings.⁷ Airbnb states on its website, "The number of guests using Airbnb has grown steadily since 2009, with visitation more than doubling every year."



*Estimated AirBnB rental reviews in Seattle in July 2013 (top) and July 2015 (bottom).
Data from insideairbnb.com*

“My landlord is a nice guy, he has kept the rent relatively reasonable for me and my partner, but he’s recently informed us we will need to leave in a few months because he wants to rent out the property on Airbnb.”

-K., Seattle resident

Benefits and Challenges of Short Term Rentals

Short term rentals bring numerous benefits to those who operate them, their visitors, and the surrounding neighborhood. Many individuals use short term rentals as a way to help afford their own home, either renting out a basement, a spare room, or the entire home when they are out of town themselves. **In a housing market that presents affordability challenges, there is no doubt short term rentals alleviate the housing burden for the many families that operate them.**

For visitors, short term rentals often offer a more affordable option. Short term rentals bring tourists, wedding parties, visiting family members and their collective spending power to neighborhoods across Seattle. Airbnb recently estimated the economic impact of its visitors in Seattle was \$178 million from August 2014 to July 2015, supporting 1,700 jobs.⁸

At the same time, the more commercial use of short term rental platforms has taken entire houses, condos and apartments off of the long term housing market. One external website estimates that roughly one-third of Airbnb’s listings in Seattle are from hosts with multiple listings. These could be multiple rooms in a house or completely separate units; hosts with multiple listings are more likely to be commercial operators not renting portions of their own primary residence.⁹ A recent report published by CBRE Hotels’ American Research found that 79 percent of Airbnb’s revenue in Seattle comes from entire home listings and the revenue generated by hosts with multiple entire-home listings increased by 183 percent between 2015 and 2016.¹⁰ **Commercial enterprises utilizing online rental platforms to market multiple units in multiple locations further exacerbate the housing crisis facing Seattle.**

Without regulation, this practice could continue to rapidly expand. As a



Any strategy the City can pursue to put more units into the long term market is worth examination.

recent Harvard Law and Policy Review article explains, “So long as a property owner or leaseholder can rent out a room on Airbnb for cheaper than the price of a hotel room, while earning a substantial premium over the residential market or rent-controlled rent, there is an overpowering incentive to list each unit in a building on Airbnb... In tight housing markets with near-zero vacancy rates, a sudden reduction in supply naturally increases rents, particularly because neither the market nor the public sector can swiftly add to the housing stock.”¹¹

The extent of Seattle’s housing crisis is well known. Lower income renters are being pushed further from the center city as prices rise; home buyers face an extreme lack of options and strong competition for every purchase offer.

In 2015, Mayor Murray’s Housing Affordability and Livability Agenda (HALA) taskforce put forward recommendations to achieve his goal of 50,000 new units of housing over the next 10 years, with 20,000 of these units designated as affordable. Short term rentals are not the leading cause of the severe shortage of housing (at all levels of affordability), but they have exacerbated an existing crisis. Any strategy the City can pursue to put more units into the long term market is worth examination.

One of the recommendations from the HALA taskforce focused on short term rentals. Specifically, the taskforce recommended that the City pursue collecting taxes on this activity and dedicating those tax dollars to affordable housing. Currently, the City lacks the taxing authority to implement this recommendation. The sales tax is collected by the State and the hotel-motel tax in Washington is revenue carved out from the State’s portion of the sales tax and remitted to local jurisdictions; state law dictates how this revenue can be spent. Facing this lack of options for new taxing authority, we have focused on regulatory actions that would align with the HALA goal of putting more units into the long term market.

“The only unit I have rented through a short term rental service, Airbnb, has been my primary residence, a single family home located in an SF 5000 zone. I utilize the service for times when I will be on vacation, and my rental days have never exceeded thirty days per year.”

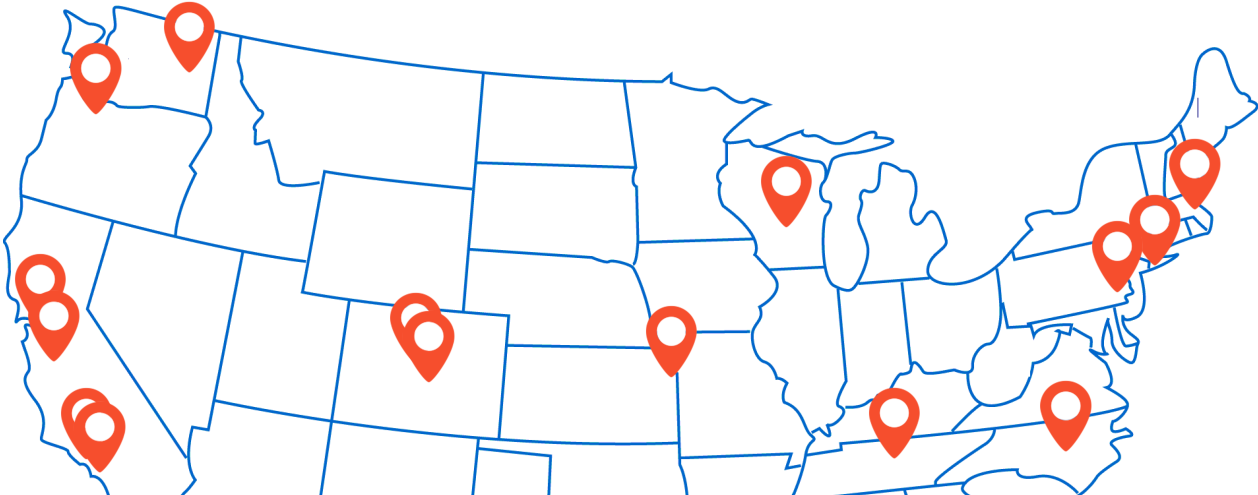
- G., landlord and AirBnB host

While secondary to the housing concern, short term rentals also pose challenges to a fair economic playing field in the vacation market as it is unclear how many operators apply for the necessary business license and pay all applicable taxes. Further, many neighbors of units that have been converted to short term rentals raise legitimate questions about neighborhood livability.

Regulatory Systems in Other Cities

A review of the regulatory approach taken by other jurisdictions reveals a wide range of regulatory responses. On one end of the spectrum, some jurisdictions have focused exclusively on collecting the appropriate taxes that apply to short term rental transactions. On the other end, cities ranging from **New York City** to **Santa Monica** have enforced much stricter regulations; in New York City, apartments cannot be rented out for less than 30 days. Per a new law in Santa Monica, short term rental operators will have to live on the property during any short term rental stay.

Other cities have attempted to find a middle ground. **Philadelphia** allows for short term rentals up to 90 cumulative days a year without a permit, requires a permit and owner occupancy of the unit for rentals from 90-180 cumulative days a year, and prohibits short term rentals for more than 180 cumulative days a year. **San Jose** allows short term rentals of up to 180 days a year without a host present and year-round with a host present. Both cities were cited by Airbnb’s Public Policy Team as positive examples for Seattle to explore.



Taxation and Regulatory Context in Seattle

Short term rental transactions currently operate outside of a solid regulatory framework in Seattle. Any person providing lodging services is required to collect and remit retail sales tax, meaning that anyone who offers their home or a portion of their home for short term rental should be paying this tax. Airbnb recently announced an agreement with the Washington State Department of Revenue to pay sales tax on behalf of its hosts, but it is unclear how many other owners pay the retail sales tax (9.6% in Seattle) on their units if they are not offering the units through Airbnb's website.

“Last year a [neighboring townhouse] unit was sold.... One neighbor found that the owner is now renting out all three bedrooms in the house and apparently runs it as an AirBnB.... When I mentioned this to a couple of friends living in other parts of the city two of them said they were aware of similar situations in their areas.”

-E., concerned neighbor

The Convention and Trade Center tax (15.6% when combined with sales tax) only applies to lodging businesses with 60 or more units. The sales tax is the only applicable tax to a short term rental transaction, because the basic hotel/motel tax in Washington State is collected as part of the state's portion of the sales tax and then remitted to local jurisdictions.

The vast majority of short term rental operators do not have business licenses, which are currently required . While most if not all short term rental operators would fall under the Business and Occupation Tax minimum threshold of \$100,000 in gross revenue, they are still required to get a license and report their revenue.

With the exception of Bed and Breakfasts, commercial lodging (hotels and motels) are not allowed in residential zones. In single family zones, bed and breakfasts are allowed with conditions

outlined in Seattle Municipal Code 23.44.051. They must have a business license, adhere to dispersion requirements, establish quiet hours, must be operated by the principal owner and the owner must live on site, must notify neighbors, have limited signage, and meet parking requirements. In multifamily zones, bed and breakfasts have similar but slightly less restrictive requirements (SMC 23.45.545G).

Regulatory Role for Government

While some elements of the current short term rental market are novel, including the technology and the flexibility it offers, many aspects of this market are simply business operations. The City has always played a regulatory role when it comes to business and determining what level of operations is appropriate in residential areas.

Any City government regulations should support one of these three goals:

- 1 Balance the economic opportunity created by short term rentals with the need to maintain supply of long-term rental housing stock available at a range of prices.
- 2 Ensure a level playing field for individuals and companies in the short term rental market.
- 3 Protect the rights and safety of owners, guests and neighbors of these units.

As explained in the Benefits and Challenges section, the first goal is the most pressing for Seattle City government. The primary elements of the regulatory scheme proposed below were built to address this issue. At the same time, the proposed regulations also either directly or indirectly support the second and third goals.

Primary goal
Providing economic opportunity while maintaining rental housing stock



Proposed Regulations for Seattle Short Term Rental Operators

With any regulation, one must start by defining the activity being regulated. In this case, we are defining short term rentals as any stays of 29 nights or fewer in duration. Stays longer than 29 nights in duration would not be subject to this proposal or be part of any cumulative short term rental stay calculations. We believe any stays of 30 nights or more fill a need in our housing market for households in transition. One benefit of the technology that facilitates the marketing and booking of short term rentals is that it expanded this niche in the housing market.

Requirements

Primary Residence

Short term rental operator resides on-site

Not Primary Residence

Short term rental operator resides off-site

Business License

Existing Requirement

Business License

Existing Requirement

Short Term Rental Operator's License

New Requirement

Short Term Rental Operator's License

New Requirement

Limited to 1 dwelling unit in addition to the operator's primary residence located in the City of Seattle

New Requirement

The basic proposed framework for short term rentals in Seattle would look like this:

You will be :

1. limited to renting your primary residence (including an in-law unit or backyard cottage associated with your primary residence) and a maximum of one additional dwelling unit and
2. required to register with the City and get a new Short Term Rental Operator license as well as a business license, an existing requirement. You will also be subject to a few more standards, including providing:
 - proof that the unit is your primary residence,
 - the license number on any short term rental listing,
 - a local contact number for guests, and
 - a signed declaration that the unit is up to code

This proposed limit on the number of units is designed to meet the goal of maintaining our long term housing supply.

This requirement will impact those who use these platforms commercially, not homeowners trying to make a little extra income on the side. The proposal would allow an exception to the proposed limits for operators of existing short-term rentals located in the Downtown, South Lake Union, and Uptown Urban Centers (areas where many of the City's lodging uses are located) while not allowing this commercial activity to expand.

We also propose leveling the regulatory playing field for traditional bed and breakfasts, which still operate under regulations from the pre-online short term rental era. By lessening some the regulatory burden they currently face, the City can bring traditional bed and breakfasts in line with the new regulations for short term rentals.



The affected operators will be those who use these platforms commercially, not homeowners trying to make a little extra income on the side.

A Summary of New Regulations Facing Operators

Regulations / requirements	Operator's primary residence	Operator resides off-site	Applicable policy goal
Title 5 Business License (existing requirement)	x	x	1 2
Pay all applicable taxes (existing requirement)	x	x	1 2
Prohibit evidence of STR use from exterior for except for signs as permitted by the sign code	x	x	3
Limit # of units to the primary residence and one additional dwelling unit		x	1
Provide proof that the dwelling unit offered for short term rental is their primary residence	x	NA	1
Provide a local contact to all guests	x	x	3
Require operators declare that the unit meets the requirements of the Housing and Building Maintenance Code	x	x	3
Require posting of basic safety information for guests within rental units	x	x	3

Proposed Regulations for Seattle Short Term Rental Platforms

After surveying practices in other jurisdictions, it became clear that receiving data from the online platform companies is vital to an effective enforcement structure. In order to facilitate the enforcement, the City will need to collect basic information from the Short Term Rental Platforms like VRBO or Airbnb. To do so, these companies will need to register for a new regulatory license with the City.

"I am a residential cleaner and have cleaned for several Airbnb renters and have thought for a very long time that this was severely adding to the housing problem in our city. I find it unfair how people could sit on empty apartments and rent them out for income while my friends, who are willing to pay a monthly rent, can't find an affordable apartment in the city."

–S., residential cleaner

The only requirements for the license will be

- a) to provide information about Seattle's regulations to operators using the platform
- b) to share basic data with the City on a quarterly basis, including the total number of short term rentals listed on the platform and the total number of nights each listing was rented through the short term rental platform and
- c) provide booking services only with operators who have been issued a short-term rental operator's license.

A map of Seattle, Washington, showing various neighborhoods. Red location pins are placed in the following areas: Northeast Seattle (near NE 75th St), Rainier Valley (near Rainier Ave S), South Center (near Rainier Ave S), and Beacon Hill (near Rainier Ave S). The map labels include NE 95th St, WEDGWOOD, NORTHWEST SEATTLE, VIEW RIDGE, NE 75th St, NE 70th St, NE 65th St, NE 60th St, WINDERMERE, HAWTHORNE HILLS, NE 55th St, 40th Ave NE, NE 50th St, LAURELHURST, UNIVERSITY VILLAGE, UNIVERSITY OF WASHINGTON, NE 45th St, MONTLAKE, Washington Park Arboretum, 24th Ave E, 29th Ave E, HARRISON/DENNY-BLAINE, MADRONA, E Cherry St, LESCHI, 31st Ave S, Rainier Ave S, College St, RAINIER VALLEY, Seward Park, BEACON HILL, S Genesee St, 50th Ave S, 47th Ave S, Seward Park, SEWARD PARK, S Graham St, NEW HOLLY, RAINIER VALLEY, Rainier Ave, Seward Park Ave S, County Airport, and 82.

Concluding Remarks and Comments on Equity

Inevitably, no citywide policy can best meet the individual needs of every short term rental operator. The proposed regulations detailed above attempt to strike a balance that recognizes both the benefits and challenges offered by short term rentals. They also attempt to focus on this issue through an equity-based lens: while there are a variety of stakeholders and interests in this area, those looking for an affordable home in this city are more in need of supportive local government intervention than those offering their second (or third or fourth) homes to out-of-town visitors.

After these regulations are translated into legislation, they will be vetted through the full public process of the City Council, where input is eagerly accepted and further revisions robustly debated.

Endnotes

- ¹ <http://techcrunch.com/2009/03/04/y-combinators-airbed-and-breakfast-casts-a-wider-net-for-housing-rentals-as-airbnb/>
- ² <http://www.wired.com/2015/12/airbnb-confirms-1-5-billion-funding-round-now-valued-at-25-5-billion/>
- ³ <https://www.airbnb.com/about/about-us>
- ⁴ <https://www.homeaway.com/info/media-center/presskit>
- ⁵ http://www.nytimes.com/2015/11/05/business/dealbook/expedia-to-acquire-homeaway-for-3-9-billion.html?_r=0
- ⁶ <https://www.homeaway.com/info/about-us>
- ⁷ See <https://www.airdna.co/sample/us/washington/seattle> or <http://insideairbnb.com/get-the-data.html>
- ⁸ <http://blog.airbnb.com/economicimpactsinseattle/>
- ⁹ <http://insideairbnb.com/seattle/>
- ¹⁰ https://www.ahla.com/sites/default/files/CBRE_AirbnbStudy_2017.pdf
- ¹¹ http://harvardlpr.com/wp-content/uploads/2016/02/10.1_10_Lee.pdf