



TRANSIENT RENTALS ANALYSIS

CITY OF BELLEVUE PROJECT LEADS Nick Melissinos and Matthew McFarland,
City Attorney's Office
UNIVERSITY OF WASHINGTON INSTRUCTOR Keith Nitta,
School of Interdisciplinary Arts and Sciences, UW Bothell
BPOLST 513, Praticum in Policy Studies



THE CHALLENGE

Through the University of Washington Livable City Year initiative, the University of Washington Bothell partnered with the Bellevue City Attorney's Office to explore regulatory options available to municipalities for short-term rentals (STRs). This study examines how other municipalities regulate STRs, short-term providers, and short-term operators. To understand jurisdictions' regulatory options outside of the City of Bellevue, this study focused on two geographical areas: municipalities within Washington State, and municipalities across the United States.

OUR METHODS

The criteria used to select cities included whether the city has a STR regulation in place, STR plan in development, or a notable tourism industry in the area. Additionally, the population of cities of interest benchmarked against the city of Bellevue's population was used as a secondary qualifier.

Across Washington State, the students examined the following municipalities:

Tacoma, Spokane, Renton, Bellingham, Kirkland, Walla Walla, and Port Townsend.

Elsewhere in the US, the students examined the following municipalities:

Bethesda, Maryland; New Orleans, Louisiana; St. Louis, Missouri; and Fairfax County, Virginia.

Students interviewed city officials regarding the frameworks used to understand the scope and nature of the issues posed by STRs and their regulation in their jurisdictions. Moreover, interviewees shared the successes and challenges of regulating STRs within their jurisdiction and offered advice on regulating STRs. Lastly, students synthesized themes that emerged during their qualitative analysis.

OUR FINDINGS

This study found that the frameworks used by the cities in developing their ordinances and regulations involved:

- Creating cooperative partnerships between planning commissions and city councils
- Holding public hearings to solicit feedback from the community and businesses
- Using STR data analytics services as well as internally analyzing STR data
- Studying regulatory practices in other cities

STR regulations were developed from complaints received from the community, impact on housing stock and affordability, and lobbying from the hotel and motel industry. Some anticipated the potential problems that could arise from STRs and are aiming to proactively regulate them.

In enforcement, implementing regulations and ensuring compliance have been and continues to be universally challenging. In most cases, enforcement operates under a complaint system. With varying definitions of STRs, what properties can be rented, the unique requirements of communities involved, the myriad of property, zoning, planning laws to navigate, and multiple stakeholders and interests affected, it is unsurprising that development and enforcement of regulations has been complex.

Participants in our study recommend that other cities developing STR regulations should consider the following approach:

- Actively involve the community; listen to what residents have to say
- Solicit feedback, and allow enough time to process the feedback
- Conduct extensive research into what other cities and municipalities have already done and successfully practiced
- Ensure that regulations are tailored to the community's needs

THEMES IDENTIFIED IN SHORT-TERM RENTAL POLICIES ACROSS COMPARABLE MUNICIPALITIES

	Themes	Bethesda, MD	New Orleans, LA	Fairfax, VA	St. Louis, MO
DEFINITION	Length of Time	30	30	30	N/A
REGULATION	Owner Occupied	No limits	Accessory STR: no limit Temporary STR: not allowed	60 days per year	N/A
	Non-Owner Occupied	120 days per year	90 days per year	Not allowed	N/A
STAKEHOLDERS	Shared Economy	YES	YES	YES	YES
	Cultural Preservation	YES	YES	YES	YES
COMPLIANCE	Difficulty with Permits/License	YES	YES	YES	N/A
PENALTY	Revoke License	YES	YES	YES	N/A
REVENUE	Taxation	7%	SRT Operators: 8.45% Platforms: (special tax) \$1 of SRT nightly revenues	6%	7.25%
SOCIAL-POLITICAL FACTORS		Hotels	Hurricane Katrina	Lawsuit and hotels	Controversy: Taxes

LCY STUDENT TEAM

