



**BTV
HOUSING
SUMMIT**

www.burlingtonvt.gov/btv-housing-policy

STR Policy Goals

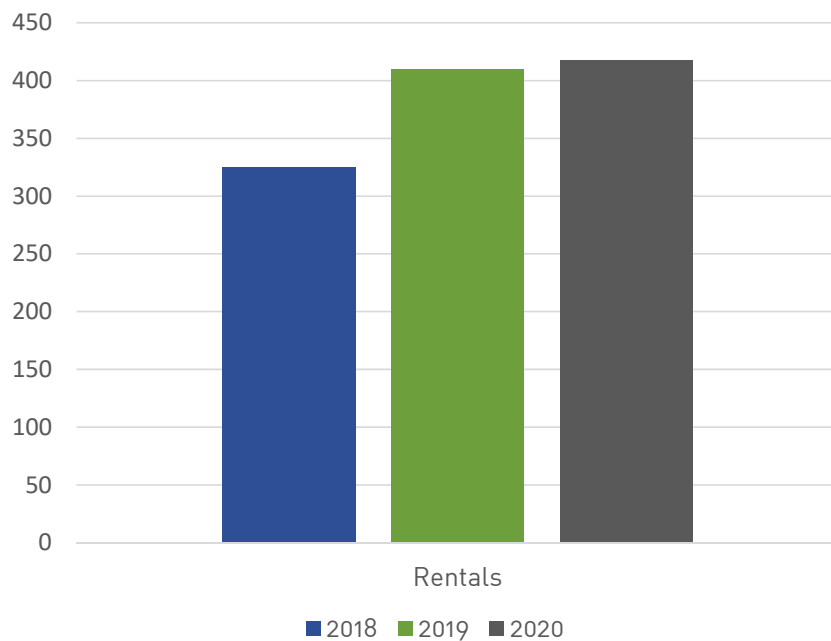
We've have heard a lot of very different opinions; key is to find balance between a legal pathway for these rentals, while limiting the burden on the city's housing stock.

Per Oct 2019 Council Resolution, a framework that “creates tiers for different types of [STRs] and disincentivizes the most impactful uses...by:

- limiting the number of housing units that can be converted for [STR] purposes and
- ensuring that those conversions are contributing to the city's efforts to preserve and expand permanently affordable housing, while also
- preserving some flexibility and ability to earn greater income for Burlington homeowners, and
- recognizing that some supply of [STRs] benefits the Burlington economy...”

Background on STR's in Burlington

STR Growth in Burlington



Data in charts/graphics on slide provided by Host Compliance.

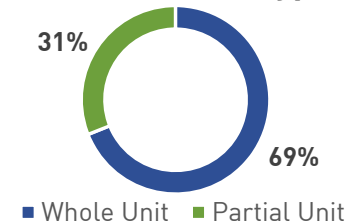
2019 report by AirBnB:

- Burlington was #1 destination in VT, summer 2019
- Avg. monthly revenue for a STR in Burlington was \$2,700 in 2019.

July 2020 Data from Host Compliance:

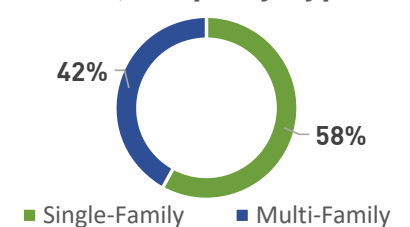
- Median Nightly Rate in BTV is \$132, up from \$119 in July 2019

% of STRs, Unit Type

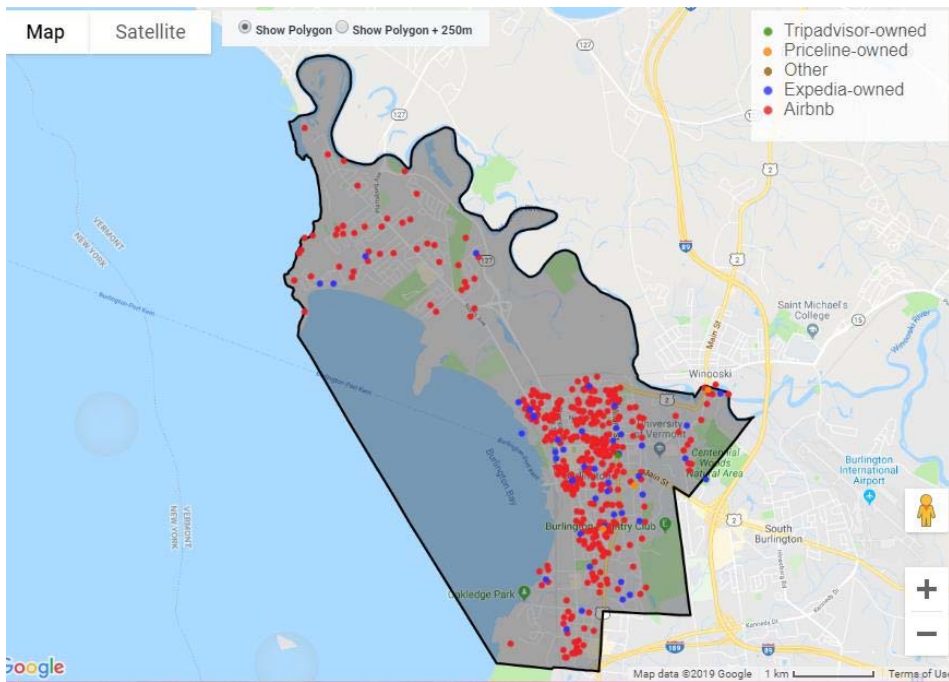


Update: Whole Unit STR's increased from 67% to 69% in the last year.

% STRs, Property Type

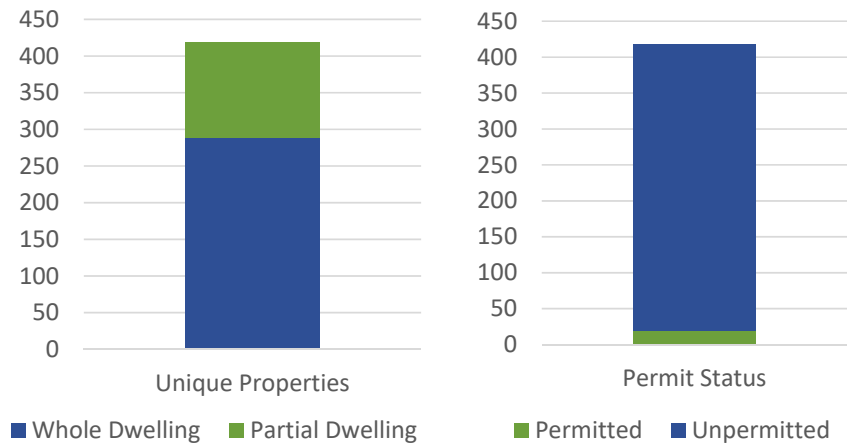


Background on STR's in Burlington



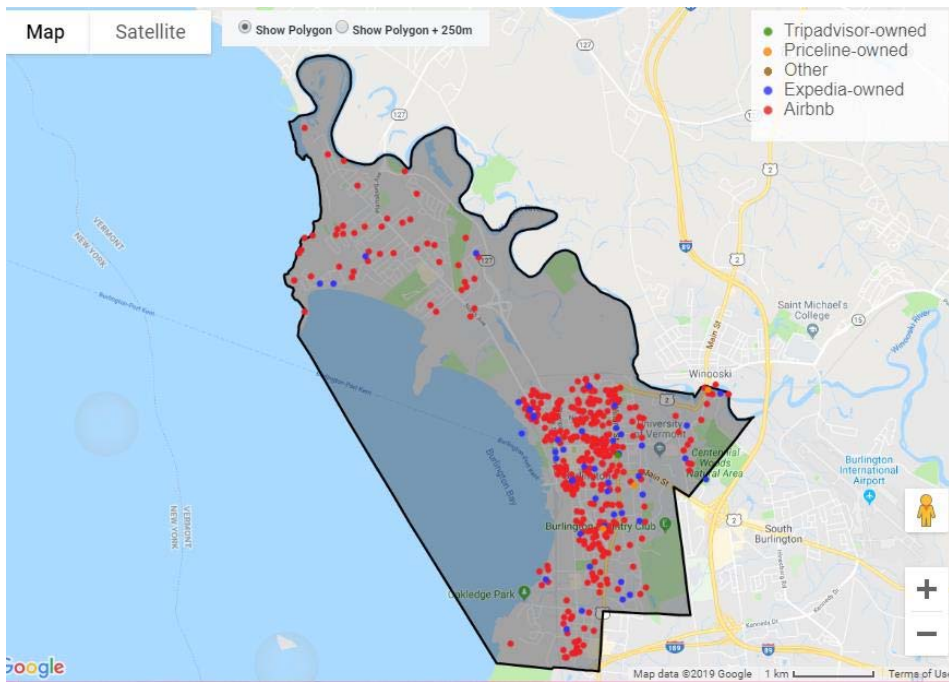
Short-term rentals are dwelling units rented in whole or part to guests for stays of 30 days or less.

Short-Term Rentals, Burlington *July 2020*

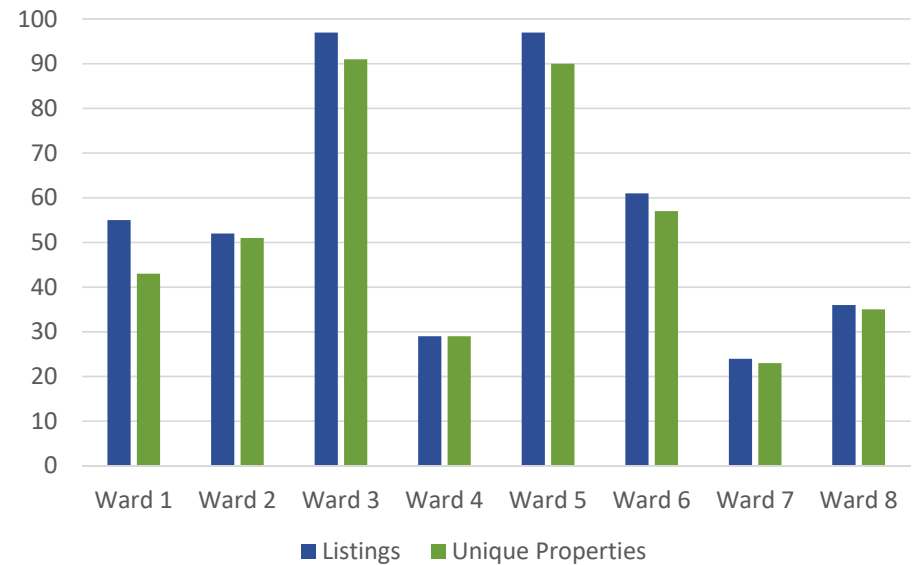


Map and data on number of STR's in Burlington provided by HostCompliance. Data on number of permits issued provided by Department of Permitting & Inspections.

Background on STR's in Burlington



Short-Term Rentals by Ward *Jan. 2020*

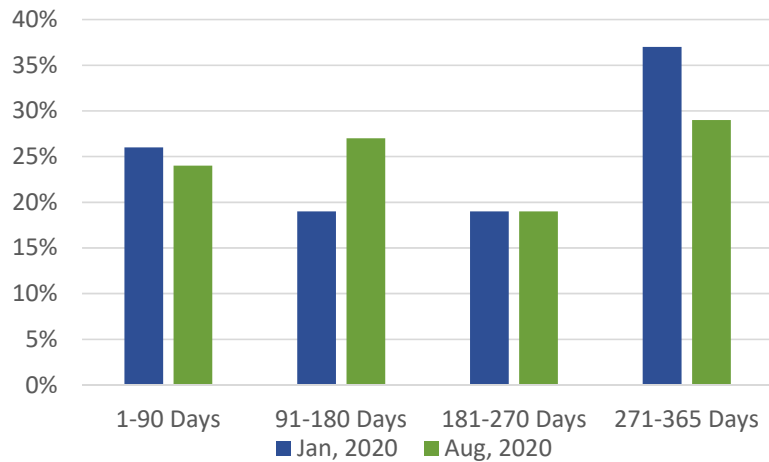


Map and data on number of STR's in Burlington provided by HostCompliance. Data does not include the 8 new listings as of July 2020.

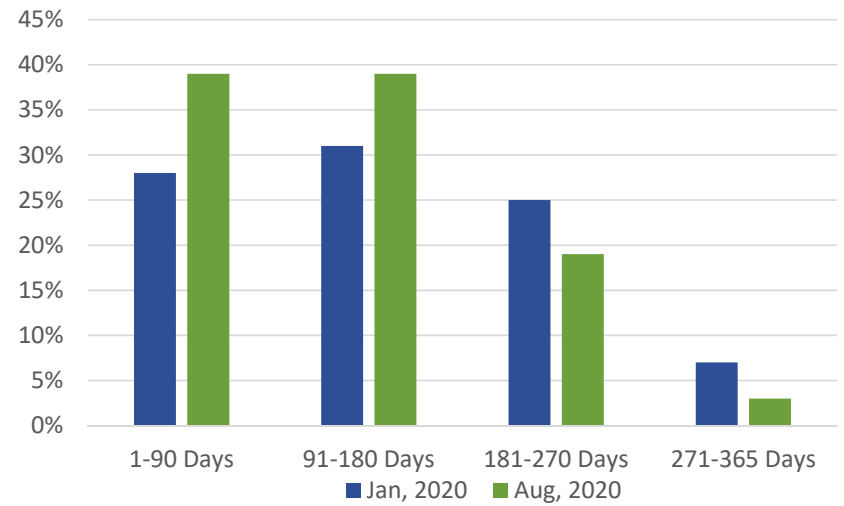
Additional Data on STR's

AirDNA reports that over the past year, almost half of STR's were listed available for more than 180 days, but nearly 80% were rented less for less than 180 days.

Nights BTV STR's listed "available"



Nights BTV STR's booked



Update: Data in these charts is from AirDNA and reflects listing and booking activity in the year preceding the date noted in the chart. Therefore, "Jan 2020" represents activity primarily from 2019, where "Aug 2020" represents activity primarily from July 2019 to July 2020

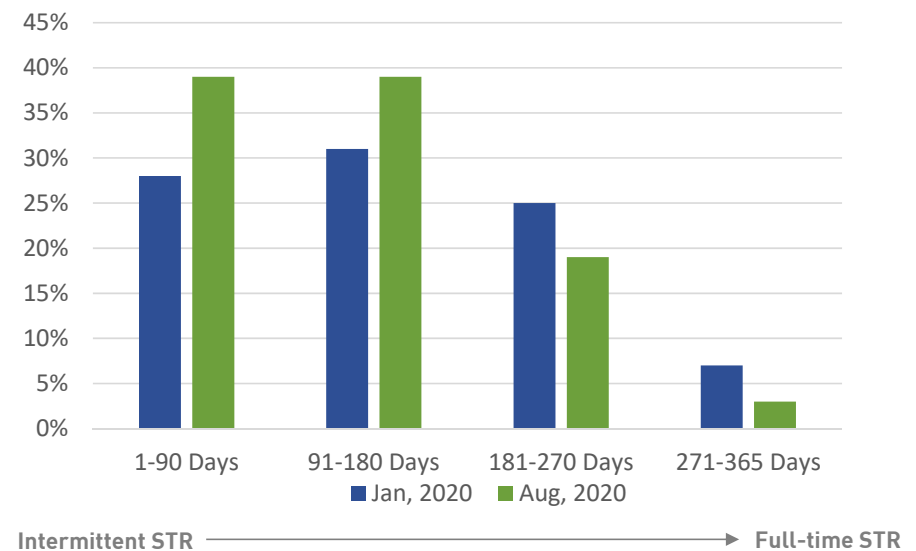
Intermittent STR \longleftrightarrow Full-time STR

Additional Data on STR's

AirDNA in Aug 2020 reports ~275 active listings on Airbnb & VRBO.

- During Governor's Stay Home Stay Safe order, all STR's were prohibited, and AirBnB disabled renting city-wide
- Varying approaches to renting in summer 2020 impacts ongoing variation in "active" listings, frequency of rentals
- In FY2020, City collected ~\$103,715 in Rooms & Meals Taxes attributable to STRs, for ~\$5.2M in host income. This is 13% of RMT collected in FY20.
- FY20 RMT collection is 14% less than FY19

Nights BTV STR's booked



Foundations of Proposal

How does this proposal acknowledge “one size does not fit all”?

Type of Unit

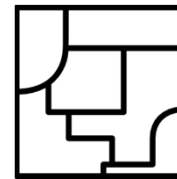


Renting room(s)
within a house or
apartment



Renting an entire
house or
apartment(s)

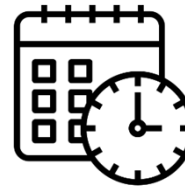
Applicable Regulations & Standards



Zoning



Property Tax Assessment



Length of rental period;
total days/year



Minimum Housing



Fees & Taxes

Flexibility for host More permissive



Limit Conversion More restrictive

Short Term Rental Scenarios & Proposed Regulatory Framework for Joint Cmte Discussion- Updated August 2020												
	Scenario 1: Renting my own home occasionally as an STR		Scenario 2: Renting my own home for several months at a time	Scenario 3: Renting bedroom(s) as STR within the home I live in		Scenario 4: Renting an ADU or 1/2 of a duplex, I live in the other unit		Scenario 5: Renting some unit(s) in a building with 3+ units <small>(see the other scenarios)</small>		Scenario 6: Renting all unit(s) in building with 3+ units as STRs		
Zoning For all scenarios: <ul style="list-style-type: none"> Zoning Permit is required if STR rented 10+ consecutive days, or 30+ total days/year Parking space(s) not required for any STR type in new parking district anticipated per ZA-20-04 	Whole Unit STR +parking-space per rented unit		If rental "term" 30+ days, it is NOT considered an STR. Simply renting a housing unit does not require a Zoning Permit.	Partial Unit STR (Bed & Breakfast) For 2+ rooms, 1 parking space per rented room		Whole Unit STR 1 parking space per rented unit		Whole Unit STR 1 parking space per rented unit		Lodging Hotel/Motel		
	Permitted Use-in: N/A <u>In all zoning districts when host's primary residence</u>			Conditional Use-Not Permitted: <u>In all zoning districts</u>		Permitted Use: - Up to 2 rooms in any residential zone - Up to 5 rooms in mixed use zones		Conditional Use: - 3 rooms in RL zones - 3-5 rooms in residential & institutional zones		Permitted Use: In mixed use districts, and in residential districts when host on-site Conditional Use: In residential districts when host lives off-site		# of STR in Bldg: - 1 STR in Bldgs up to 3 units - 2 STR in Bldgs up to 5 units - 3 STR in Bldgs w/ 6+ units
Rental Duration Host's "primary residence" means that the host lives in/at the unit/property for at least half the year	<ul style="list-style-type: none"> Individual rental "terms" are less than 30 days No limit to number of nights rented as STR as long as continues to be host's primary residence 		<ul style="list-style-type: none"> Individual rental "terms" are more than 30+ days 	<ul style="list-style-type: none"> Individual rental "terms" are less than 30 days No limit to number of nights rented as STR as long as continues to be host's primary residence 		<ul style="list-style-type: none"> Individual rental "terms" are less than 30 days No limit to number of nights rented as STR as long as host's primary residence 		<ul style="list-style-type: none"> Individual rental "terms" are less than 30 days No limit to number of nights rented as STR as long as host's primary residence STR units may be operated by an off-site host, per above scenarios 		<ul style="list-style-type: none"> Individual rental "terms" are less than 30 days No limit to number of nights rented By nature, lodging not required to be host's primary residence 		
Housing Code Requirements	<ul style="list-style-type: none"> Register annually as a rental Meet basic Life Safety Standards in Chapter 19 		<ul style="list-style-type: none"> Register annually as a rental Meet basic Life Safety Standards in Chapter 19 	<ul style="list-style-type: none"> Register annually as a rental Meet basic Life Safety Standards in Chapter 19 Owner-occupied homes with 1 or 2 rented rooms are exempt from rental registration & annual housing inspection 		<ul style="list-style-type: none"> Register annually as a rental Meet basic Life Safety Standards in Chapter 19 		<ul style="list-style-type: none"> Register annually as a rental Meet basic Life Safety Standards in Chapter 19 		<ul style="list-style-type: none"> "Minimum Housing" and rental registration not applicable because not "residential" Building code requirements will depend on number of occupants in building 		
Taxes & Fees	<ul style="list-style-type: none"> NOT required to pay Housing Replacement Fee Register as a business Pay Burlington & VT Rooms & Meals Taxes [including additional rate benefitting Housing Trust Fund (HTF)?] 		<ul style="list-style-type: none"> NOT required to pay Housing Replacement Fee Not required to register as a business Not required to pay Burlington & VT Rooms & Meals Taxes 	<ul style="list-style-type: none"> NOT required to pay Housing Replacement Fee Register as a business Pay Burlington & VT Rooms & Meals Taxes [including additional rate benefitting Housing Trust Fund (HTF)?] 		<ul style="list-style-type: none"> Register as a business Pay Burlington & VT Rooms & Meals Taxes Housing Replacement Fee if STR is replacing a long-term housing unit [and/or additional rate benefitting Housing Trust Fund (HTF)?] Not required to pay Housing Replacement if building a new unit for use as an STR 		<ul style="list-style-type: none"> Register as a business Pay Burlington & VT Rooms & Meals Taxes, including additional rate benefitting the HTF Housing Replacement Fee if STR is replacing a long-term housing unit 		<ul style="list-style-type: none"> Register as a business Pay Burlington & VT Rooms & Meals Taxes Housing Replacement Fee req. if replacing long-term housing unit(s) 		
Property Assessment	<ul style="list-style-type: none"> Likely assessed as "residential" Report any rental use to State of VT for Homestead Declaration 		<ul style="list-style-type: none"> Likely assessed as "residential" Report any rental use to State of VT Homestead Declaration 	<ul style="list-style-type: none"> Some configurations may be assessed as "commercial" with 120% commercial value factor Report any rental use to State of VT for Homestead Declaration 		<ul style="list-style-type: none"> Likely assessed as "residential" Report any rental use to State of VT Homestead Declaration 		<ul style="list-style-type: none"> Some configurations may be assessed as "commercial" with 120% commercial value factor Report any rental use to State of VT for Homestead Declaration 		<ul style="list-style-type: none"> Considered "commercial" by Assessor, with 120% commercial value factor Considered "commercial" for purpose of State of VT Homestead Declaration 		

Joint Committee Discussion Topics

Relative to the scenarios presented, the Joint Committee will continue discussing:

- **Does the proposed framework meet the proposed goals for this scenario?**

Per Oct 2019 Council Resolution, a framework that “creates tiers for different types of [STRs] and disincentivizes the most impactful uses...by:

- *limiting the number of housing units that can be converted for [STR] purposes and*
- *ensuring that those conversions are contributing to the city’s efforts to preserve and expand permanently affordable housing, while also*
- *preserving some flexibility and ability to earn greater income for Burlington homeowners, and*
- *recognizing that some supply of [STRs] benefits the Burlington economy...”*

- **Are there some scenarios wherein an off-site host would be acceptable?**


- **Is Housing Replacement vs. an alternative fee/tax more appropriate to achieve goals?**

- **Any other comments/input on the proposed framework for these scenarios?**

Scenario 1- Feedback

Flexibility for Host
Most Permissive

“I want to rent my entire home as a short-term rental for part(s) of the year, but it will still be my primary residence.” (i.e. a single-family home scenario)

<p>Zoning For all scenarios:</p> <ul style="list-style-type: none"> • Zoning Permit is required if STR rented 10+ consecutive days, or 30+ total days/year • Parking space(s) not required if located in new parking district per ZA-20-04 	 Whole Unit STR	<p>1 parking space/rented unit <u>No pkg space req. in addition to what is provided for the primary home</u></p>
<p>Rental Duration Host's "primary residence" means that the host lives in/at the unit/property for at least half the year</p>	<p>No Limit to <u>less than 180</u> nights rented as STR, as long as <u>continues to be in order to maintain</u> host's primary residence</p>	
<p>Housing Code Requirements</p>	<ul style="list-style-type: none"> • Register annually as a rental • Meet basic Life Safety Standards in Ch. 18 	
<p>Taxes & Fees STR's already req. by state & city to register as a biz and pay Rooms & Meals Taxes.</p>	<p><i>Should nightly fee that applies to other STRs apply here?</i></p>	

Decisions:

- “No limit” on nights rented needs to be clarified; host must maintain primary residence.
- Off-site hosting and Housing Replacement not applicable per the above requirement.
- Should not require adt'l parking space or CU




Remaining Questions:

- **Should a zoning permit be required for this scenario?**

Scenario 6- Feedback

Limit Conversion
Most Restrictive

“I own a building with 3+ units, and want to rent all the units as short-term rentals. I do not live in the building.”

<p>Zoning For all scenarios:</p> <ul style="list-style-type: none"> Zoning Permit is required if STR rented 10+ consecutive days, or 30+ total days/year Parking space(s) not required if located in new parking district per ZA-20-04 	<table border="1"> <tr> <td data-bbox="606 716 667 781">  </td> <td data-bbox="667 716 877 781"> Lodging Hotel/Motel </td> <td data-bbox="877 716 1203 781"> 1 parking space per room/unit </td> </tr> <tr> <td colspan="2" data-bbox="606 781 877 935"> Permitted Use in: Mixed Use districts with no limit on # of rented rooms </td> <td data-bbox="877 781 1203 935"> Prohibited Use: Residential districts </td> </tr> </table>		Lodging Hotel/Motel	1 parking space per room/unit	Permitted Use in: Mixed Use districts with no limit on # of rented rooms		Prohibited Use: Residential districts
	Lodging Hotel/Motel	1 parking space per room/unit					
Permitted Use in: Mixed Use districts with no limit on # of rented rooms		Prohibited Use: Residential districts					
<p>Rental Duration Host's "primary residence" means that the host lives in/at the unit/property for at least half the year</p>	<p>No limit to number of nights rented Not required to be host primary residence</p>						
<p>Housing Code Requirements</p>	<ul style="list-style-type: none"> Housing Code & Rental Registration not applicable because not "residential" Building code based on # occupants in Bldg. 						
<p>Taxes & Fees Already req. by state & city to register as a biz and pay Rooms & Meals Taxes.</p>	<p>Pay Housing Replacement Fee if converting 100% of housing units in building</p>						

Decisions:

- Should be limited and most restrictive.
- Housing Replacement should apply in scenario when all units are being converted.




Other:

- Update and consolidate various definitions for hotel, motel, hostel, etc. to include both traditional and 'defacto hotel' scenarios, and apply current standards for hotel

Scenario 5- Feedback

Limit Conversion
More Restrictive

“I own a building with 3+ units, and want to rent some of the units as short-term rentals.”

<p>Zoning For all scenarios:</p> <ul style="list-style-type: none"> Zoning Permit is required if STR rented 10+ consecutive days, or 30+ total days/year Parking space(s) not required if located in new parking district per ZA-20-04 	<table border="1"> <tr> <td data-bbox="598 609 892 722">  Whole Unit STR </td> <td data-bbox="892 609 1228 722">1 parking space per unit</td> </tr> <tr> <td data-bbox="598 722 892 959"> <p>Permitted Use in: Mixed Use districts; in residential districts when host lives on-site</p> <p>Conditional Use in: Residential Districts, when host lives off-site</p> </td> <td data-bbox="892 722 1228 959"> <p>Limit to # STR in Bldg:</p> <ul style="list-style-type: none"> - 1 STR in Bldgs up to 3 units - 2 STR in Bldgs up to 5 units - 3 STR in Bldgs 6+ units </td> </tr> </table>	 Whole Unit STR	1 parking space per unit	<p>Permitted Use in: Mixed Use districts; in residential districts when host lives on-site</p> <p>Conditional Use in: Residential Districts, when host lives off-site</p>	<p>Limit to # STR in Bldg:</p> <ul style="list-style-type: none"> - 1 STR in Bldgs up to 3 units - 2 STR in Bldgs up to 5 units - 3 STR in Bldgs 6+ units
 Whole Unit STR	1 parking space per unit				
<p>Permitted Use in: Mixed Use districts; in residential districts when host lives on-site</p> <p>Conditional Use in: Residential Districts, when host lives off-site</p>	<p>Limit to # STR in Bldg:</p> <ul style="list-style-type: none"> - 1 STR in Bldgs up to 3 units - 2 STR in Bldgs up to 5 units - 3 STR in Bldgs 6+ units 				
<p>Rental Duration Host's "primary residence" means that the host lives in/at the unit/property for at least half the year</p>	<p>No limit to number of nights rented as STR Property continues to be host's primary residence</p>				
<p>Housing Code Requirements</p>	<ul style="list-style-type: none"> Register annually as a rental Meet basic Life Safety Standards in Ch. 18 				
<p>Taxes & Fees Already req. by state & city to register as a biz and pay Rooms & Meals Taxes.</p>	<p>Pay Housing Replacement Fee if replacing housing units <u>Alternative fee for use based on nights rented/ income generated</u></p>				

Decisions:

- Housing replacement not the right standard for the scale of STR use, and to enable flexibility of units to be STR *and* long-term rental; consider use-based fee
- Allow for off-site hosting, but maintain limit on number of STRs in building


Remaining Questions:

- Should there be scenario 5a (host on-site) vs. 5b (host off-site)? If so, what is key difference?**
 - CU vs permitted? Number of STRs in building? Other standard?
- Are policy goals and regulatory protections aligned for this scenario?**
- Does this scenario apply to condominiums?**

Scenario 4

Limit Conversion
More Restrictive

“I own a duplex/single-family home with an ADU. I want to live in one unit and use the other as a short-term rental.”


<p>Zoning For all scenarios:</p> <ul style="list-style-type: none"> Zoning Permit is required if STR rented 10+ consecutive days, or 30+ total days/year Parking space(s) not required if located in new parking district per ZA-20-04 	 Whole Unit STR	1 parking space per unit
<p>Rental Duration Host's "primary residence" means that the host lives in/at the unit/property for at least half the year</p>	No limit to number of nights rented as STR Property continues to be host's primary residence	
<p>Housing Code Requirements</p>	<ul style="list-style-type: none"> Register annually as a rental Meet basic Life Safety Standards in Ch. 18 	
<p>Taxes & Fees Already req. by state & city to register as a biz and pay Rooms & Meals Taxes.</p>	Pay Housing Replacement Fee if replacing an existing long-term housing unit	

- Does this proposal meet the proposed goals?
- Are there some scenarios wherein an off-site host would be acceptable?
Permitted or Conditional Use
- Is Housing Replacement v. alternative fee more appropriate for this scenario?
- Any other comments/input on the proposed framework relative to this Scenario?

Scenario 3

Flexibility for Host
More Permissive

“I want to rent bedrooms as short-term rentals within my home.”

<p>Zoning</p> <p>For all scenarios:</p> <ul style="list-style-type: none"> • Zoning Permit is required if STR rented 10+ consecutive days, or 30+ total days/year • Parking space(s) not required if located in new parking district per ZA-20-04 	<p> Partial Unit STR</p> <p>Permitted Use:</p> <ul style="list-style-type: none"> - Up to 2 rooms in residential & institutional zones - Up to 5 rooms in mixed use zones <p>Conditional Use:</p> <ul style="list-style-type: none"> - 3 rooms in RL zones - 3 to 5 rooms in other residential & institutional zones 	<ul style="list-style-type: none"> - If renting 1 room- no pkg req. - If renting 2+ rooms, 1 pkg space/rented room
<p>Rental Duration</p> <p>Host's "primary residence" means that the host lives in/at the unit/property for at least half the year</p>	<p>No limit to number of nights the rooms are rented as STR, as long as continues to be host's primary residence</p>	
<p>Housing Code Requirements</p>	<ul style="list-style-type: none"> • Register annually as a rental • Meet basic Life Safety Standards in Ch. 18 • Continue current exemption from registration & inspections for owner-occupied homes with 1 or 2 rented rooms 	
<p>Taxes & Fees</p> <p>STR's already req. by state & city to register as a biz and pay Rooms & Meals Taxes.</p>	<p>NOT required to pay Housing Replacement Fee</p>	

- **Does this proposal meet the proposed goals?**
- **Are there some scenarios wherein an off-site host would be acceptable?** *Not Applicable*
- **Is Housing Replacement v. alternative fee more appropriate for this scenario?**
Housing Replacement is not applicable. Should a nightly fee applied to other STR types apply here?
- **Any other comments/input on the proposed framework relative to this Scenario?**