Short-Term Rentals in the City of Albany

February 7, 2024

Defining Short-Term Rentals (STR's)

- The precise legal definition of a short-term rental varies by municipality.

Other Terms and Definitions

- Host:
  – person/entity offering the home, unit or bedroom for rent
- Hosted:
  – host is on-site during rental and resides at the property
- Un-hosted:
  – host does not live on-site; host is not on-site during rental period
- Primary vs Non-primary Residence:
  – whether the property being rented is the host's main residence or not

THE RENTAL OF A RESIDENTIAL DWELLING UNIT
(either the entire dwelling or a room(s) within it)[2]

IN ANY HOUSING TYPE
(e.g. houses, secondary suites, carriage houses, garden suites, cabins, apartments and condos)

FOR A SHORT PERIOD OF TIME
(e.g. less than a month)

OFTEN WITHOUT ANY IN-PERSON INTERACTIONS

PRIMARILY UTILIZED BY VISITORS/TOURISTS

FACILITATED BY PLATFORMS
(e.g. Airbnb)

[2]Non-dwelling units (e.g. vans, boats, parking spaces, campgrounds) can also be listed as a STR, but these represent a small fraction of STR activity.

Common Themes Across Communities

- The rise in short-term rental activity over the last decade

- No regulatory system in place

- To understand potential impacts and formulate policy objectives

How did we get here? Complaints.

- The City has received 29 SeeClickFix complaints regarding STRs since 2020

- 19 of these complaints (65%) were related to trash

- Other issues included code violations, trees, parking enforcement, property maintenance, drainage, snow and ice removal and water issues

- SeeClickFix does not capture all complaints

- Reports of parties and event-related gatherings at some STR properties

Unified Sustainable Development Ordinance (USDO)

- The use "Short-Term Rental" is not a distinct use called out in the Unified Sustainable Development Ordinance (USDO). The USDO defines a dwelling unit as:

  "One or more rooms, including a kitchen or kitchenette, and sanitary facilities in a dwelling structure, designed as a unit for occupancy by not more than one household for living and sleeping purposes."

  There is no reference to the duration for which the dwelling unit must be rented.

- This has never been tested because no one has submitted a permit application to have an STR. Typically little to no work is required to a residential unit as this only involves the duration of time for which it is rented.

- Other codes and ordinances that address quality of life considerations

Current Landscape in Albany

- Approximately 455 STR listings within the City (Granicus Report from January 2024)

  – 76% of these are entire home/apartment listings

 – 24% are partial homes/apartment listings

STR BY LISTING TYPE
- Single Family Home
- Multi-Family Home
- Unknown Home Type

1%
45%
54%

LISTINGS BY UNIT TYPE
- Entire Home
- Partial Home

24%
76%
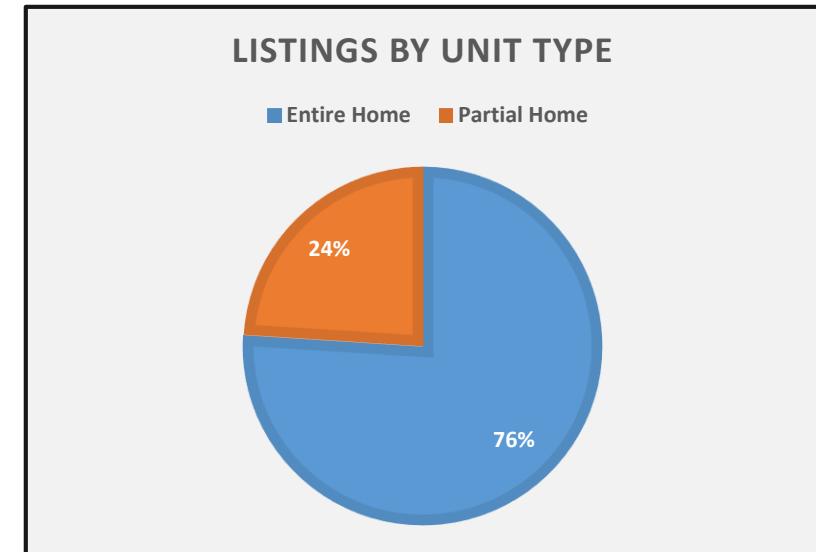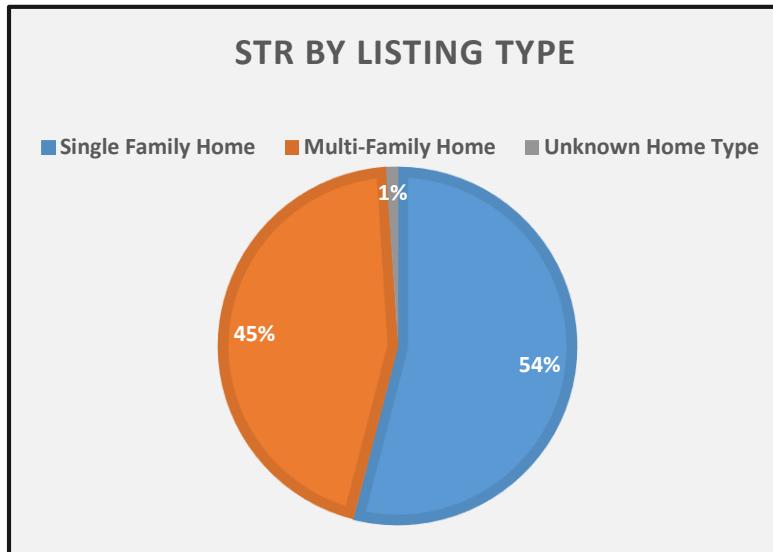
Where STRs are located
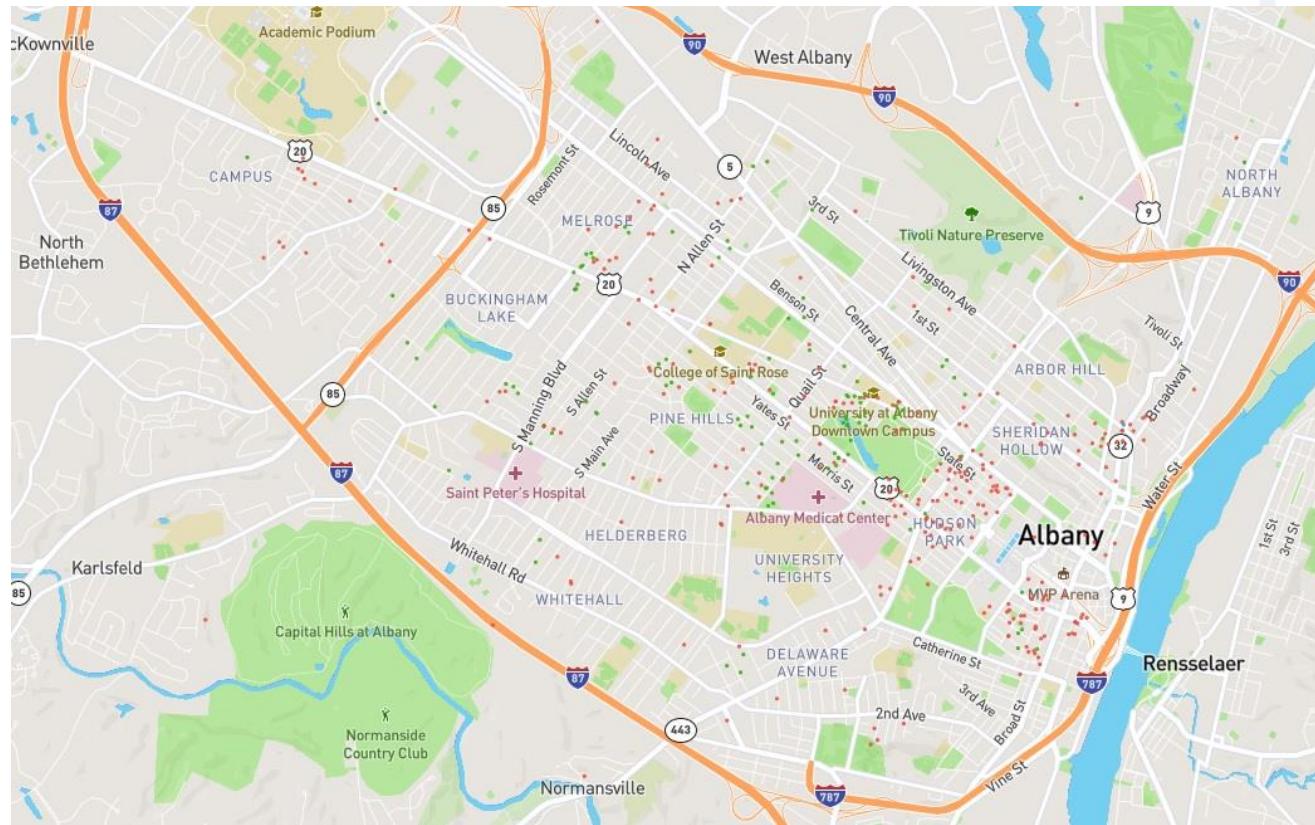
Source: Inside AirBNB

STR Activity (AirBNB)

Estimated Nights Booked, Last 12 Months
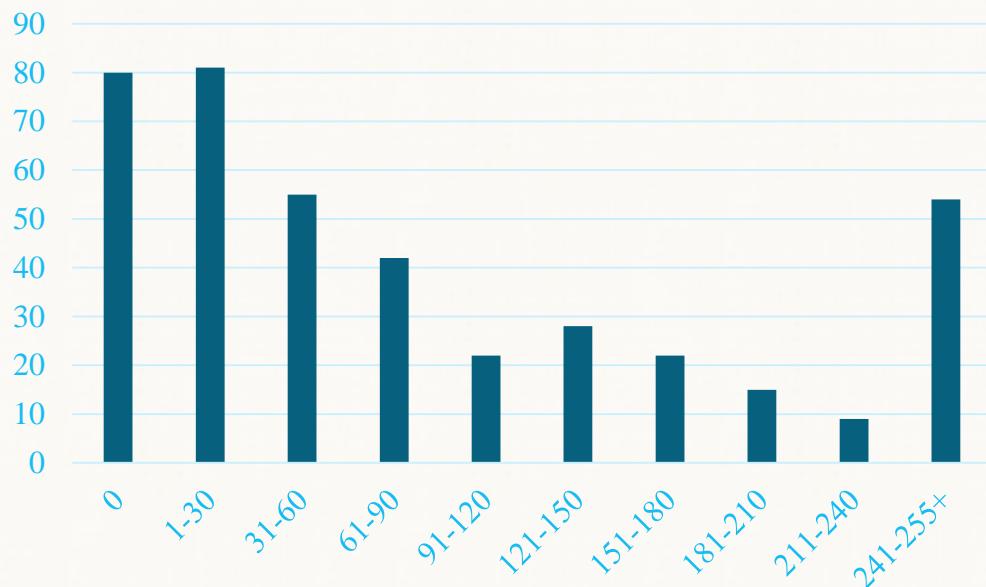
Sources: Inside AirBNB; Granicus

**Average Nights Booked - 85**

Price Per Night - $105 - $121

**% of units rented 90 or fewer days of the year – 62.9%**

Total Nights Booked – 34,850

Units to Satisfy Demand @ 365 day per year rental - 95

Listings Per Host (AirBNB)

Listings Per Host

Listings Per Host
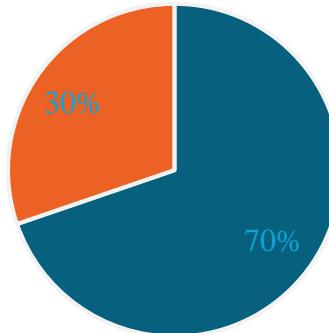
- Multiple Listings
- Single Listing

30%

70%

Source: Inside AirBNB

Top Hosts

Host Name	#Entire home/ apts	#Private rooms	#Shared rooms	#Hotel Rooms	#Listings
Diana	19	0	0	0	19
Linda	15	0	0	0	15
Argus	1	11	0	0	12
Terra	6	4	0	0	10
Thomas	1	9	0	0	10
Peter	9	0	0	0	9
Allen	8	0	0	0	8
Bela	2	6	0	0	8
Elizabeth	8	0	0	0	8
Erion	8	0	0	0	8
Abba	5	1	0	0	6
Earl	6	0	0	0	6
Evolve	6	0	0	0	6
Jerry	6	0	0	0	6
Michael And Flerida	1	5	0	0	6
Terra	0	6	0	0	6
Urbangem	3	3	0	0	6
Michael	5	0	0	0	5
Scott	4	1	0	0	5
Angela	4	0	0	0	4
Brigid	0	4	0	0	4
Chad	0	4	0	0	4

Public Forum – February 1, 2024


Who was invited?

- Existing Short-Term Rental Operators

- Motel/Hotel Union or Association

- Realtor Groups or Associations

- Common Council

- Local Groups and Organizations

- Platforms (e.g., Airbnb, VRBO, etc.)

- Neighborhood Associations

- Housing Advocates

- Tourism Agencies

- Governmental Agencies

Who attended

27%

54%

19%
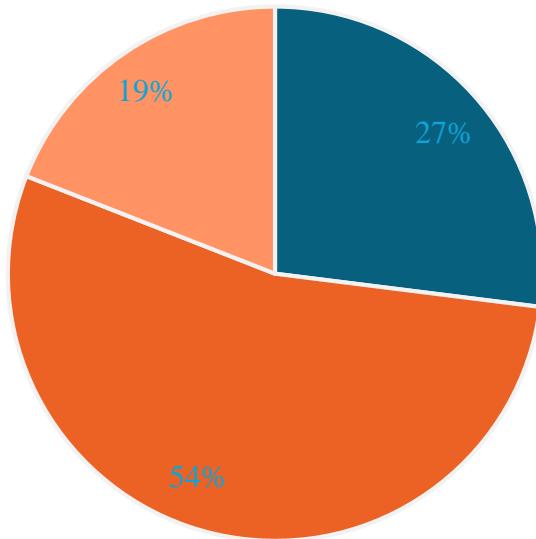
■ Short-Term Rental Owner/Operator   ■ Local Homeowner   ■ Other

Mayor Kathy Sheehan

Councilmember Sergio Adams

Councilmember Alfredo Balarin

Office of NYS Assembly member
Patricia Fahy

Albany County Legislator Lynne
Lekakis

Breakout Session: The World Café

https://theworldcafe.com/tools-store/hosting-tool-kit/
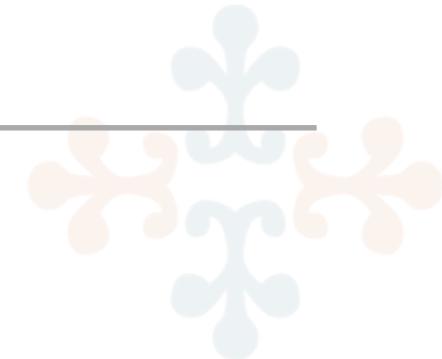
- Explore questions that matter

- Encourage everyone's contribution

- Connect diverse perspectives

- Listen together for patterns & insights

- Share collective discoveries

QUESTION:

WHAT DO YOU THINK A SUCCESSFUL SHORT-TERM POLICY LOOKS LIKE?

What did we hear?

- Calls for better enforcement / policing

- Licenses and/or zoning regulations for STRs

- Impact on long-term tenants / Housing supply

- STRs escaping local taxation

- Bad actor landlords, absentee ownership

- Prioritize owner occupied STRs

- Concerns about parties, weddings, large gatherings
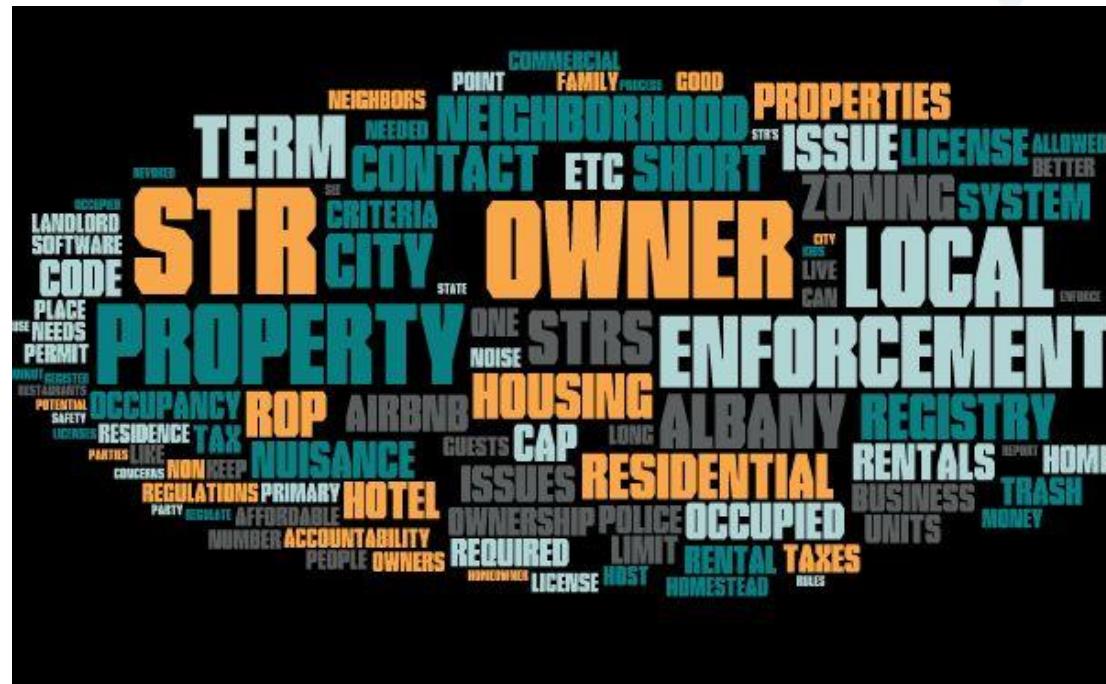
(https://www.albanyny.gov/2268/Short-Term-Rentals) will host all the information gathered from the forum, including the PowerPoint presentation, written feedback, and future updates. Additional feedback can be provided through the city website. The comment portal will be open for 2 weeks.

STR Policy Framework

Open Questions that Shape the Policy Objective

- What do we know about our current STR situation in Albany?

- What are the existing challenges/benefits/problems/concerns?

- What <u>data</u> do we have to support the need for legislation or specific regulations?

- How do we apply a racial equity lens when drafting STR regulations?

- What are our top priorities and how have they been established?

- How do we ensure that regulations are specifically tailored to address the unique landscape of Albany?

Identifying Top Priorities

1. Reduce noise and trash-problems

2. Eliminate party houses

3. Reduce STR impact on neighborhood character

4. Ensure building safety

5. Improve responsiveness to neighbor complaints

6. Stem STR impact on affordable housing availability

7. Improve permit and tax compliance to increase tax revenue

8. Ensure a level playing field between law abiding traditional lodging providers and illegal STRs

9. Reduce tension between short-term rental property owners and their neighbors

10. Make citizens aware that STR problems are taken seriously

11. Other?

Tools and Methods

- Location & Use:

  – Where and how many short-term rentals are allowed

- Timing:

  – How long short-term rentals can be rented for

- Manner of Rental:

  – Additional requirements for hosts and guests (registry, taxes, noise, etc.)

Licensing vs. Zoning

LICENSING

- Attached to the operator

- Easier to revoke

- Limit the number of STRs per operator

- Limit the total number of STRs

LAND USE CONTROLS

- Attached to the property

- Harder to revoke

- Apply geographic allowances by zoning district

Recommended Process

UNDERSTAND THE LANDSCAPE

- Gather Data
- Engage a Diverse Group of Stakeholders
- Identify Policy Goal(s)

DEVELOP AND PASS REGULATIONS

- Apply a Racial Equity Lens
- Pass Regulations Early
- Craft Simple Regulations
- Institute a Permit Requirement
- Determine Fines and Fees
- Establish a Clear Taxing Model
- Negotiate an Agreement with Platforms

ENFORCEMENT

- Dedicate Resources to Enforcement
- Ensure Extensive Communication and Marketing
- Move Registration and Administration Systems Online

REVISIT AND ADAPT

- Establish a Feedback Loop

Important Data to Gather

KEY DATA POINTS INCLUDE:

How many short-term rentals are operating in your community?

What is the breakdown between hosted room rentals vs. whole home rentals?

Where are short-term rentals operating in your community?

What neighborhoods are most affected?

What is the average daily price of short-term rentals vs. hotels?

What is the occupancy rate of short-term rentals vs. hotels?

How much revenue are short-term rental properties generating vs. hotels?

# Why Data Matters

Kingston

Population: 23,916

Number of STRs: 95

Median Nightly Rate
$249
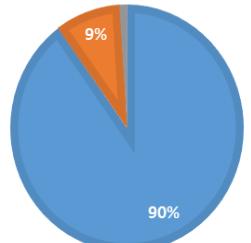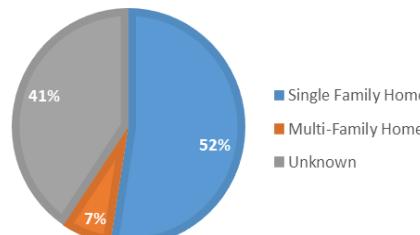
Albany

Population: 100,826

Number of STRs: 455

Median Nightly Rate
$105

LISTINGS BY UNIT TYPE (Kingston)

- Entire Home: 90%
- Partial Home: 9%

STR LISTING TYPE (Kingston)

- Single Family Home: 52%
- Multi-Family Home: 7%
- Unknown: 41%

LISTINGS BY UNIT TYPE (Albany)

- Entire Home: 76%
- Partial Home: 24%

STR LISTING TYPE (Albany)

- Single Family Home: 54%
- Multi-Family Home: 45%
- Unknown
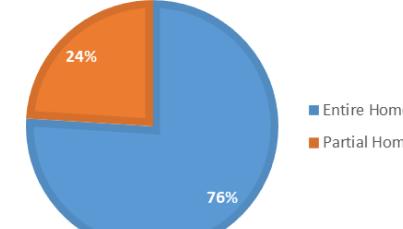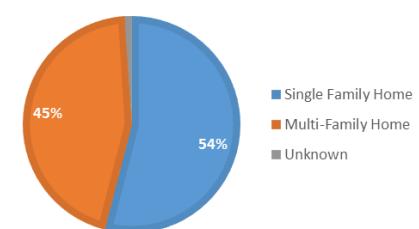
Data Procurement & Financial Expenditures

- City staff met with Granicus who provided a brief analysis of STRs in Albany

- Granicus offers services related to address identification which most municipalities use as a basis to formulate regulations

  - $14,020/YR

- Also offers services from compliance monitoring, tax collection, 24/7 hotline, and rental activity monitoring (auditing)

  - Cost for full array of services (including address ID) - $29,000/YR

- Aligns with research from Assemblymember Pat Fahy's office – Most municipalities work with a third party vendor and spend upwards of $20,000/YR for services
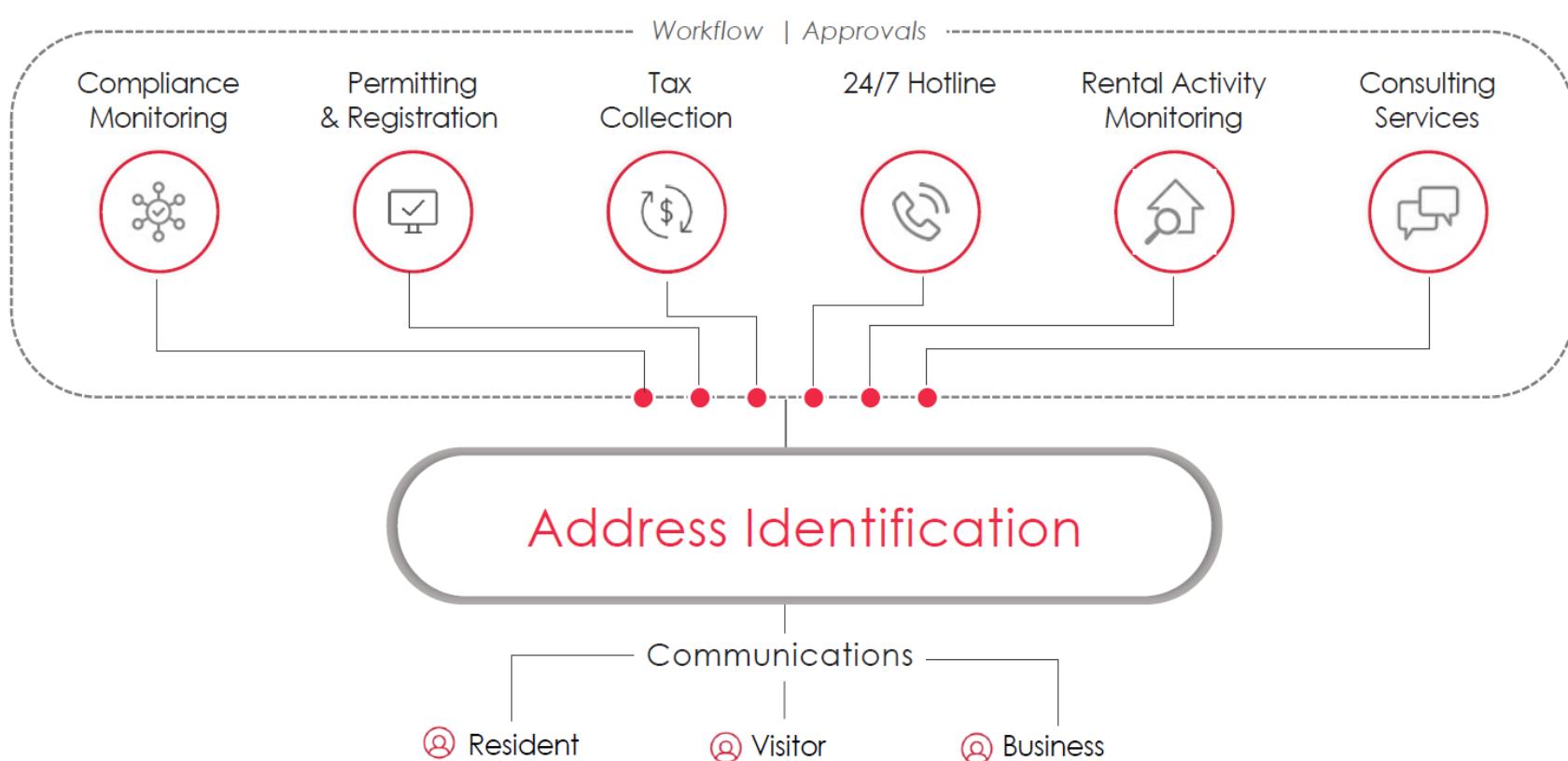
Summary of General Considerations:

1. Clarify the specific policy objectives (i.e., what is the concern or issue at hand and what are we trying to achieve)

2. Establish clear understanding of what regulatory requirements can be enforced

3. Work with community to develop a shared understanding of the problem/benefits and possible solutions

4. Proposed regulation should be evaluated against the specific goals and only code requirements that are specifically designed to address any of those goals should be included in the final ordinance

5. Policy and/or regulations should be coupled with investments – licensing system, staffing, data extraction on STR's, etc.

6. Data is crucial to success

Questions/Comments