



# Agenda

## Economic Development Advisory Commission Regular Meeting

Tuesday, March 10, 2026 at 6:00 PM

City Hall Cowles Council Chambers In-Person & Via Zoom Webinar

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### Homer City Hall

491 E. Pioneer Avenue  
Homer, Alaska 99603  
[www.cityofhomer-ak.gov](http://www.cityofhomer-ak.gov)

### Zoom Webinar ID: 990 0366 1092 Password: 725933

<https://cityofhomer.zoom.us>  
Dial: 346-248-7799 or 669-900-6833;  
(Toll Free) 888-788-0099 or 877-853-5247

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### CALL TO ORDER, PLEDGE OF ALLEGIANCE, 6:00 P.M.

### AGENDA APPROVAL

### PUBLIC COMMENTS ON MATTERS ALREADY ON THE AGENDA (3 minute time limit)

### RECONSIDERATION

**CONSENT AGENDA** (Items listed below are considered routine and non-controversial by the Commission and are approved in one motion. If a separate discussion is desired on an item, a Commissioner may request that item be removed from the Consent Agenda and placed on the Regular Agenda under New Business.)

- [A.](#) 26-02 February Minutes

### VISITORS/PRESENTATIONS (10 minute time limit)

### STAFF & COUNCIL REPORT/COMMITTEE REPORTS

- [A.](#) EDC Staff Report
- [B.](#) Clerk's Report
- C. Homer Chamber of Commerce Director's Report
- D. Homer Marine Trades Association Report
- E. Kenai Peninsula Economic Development District Report
- F. Guiding Homer's Growth and Housing

### PUBLIC HEARING

### PENDING BUSINESS

- [A.](#) Short Term Rentals

[B.](#) Itinerant Merchants

**NEW BUSINESS**

[A.](#) Budget Recommendations

**INFORMATIONAL MATERIALS**

A. KPEDD 2026 Housing Assessment

[B.](#) 2026 Work Plan

**COMMENTS OF THE AUDIENCE** (3 minute time limit)

**COMMENTS OF THE CITY STAFF**

**COMMENTS OF THE COMMISSION**

**ADJOURNMENT**

Next Regular Meeting is **Tuesday, April 14th, at 6:00 p.m.** All meetings scheduled to be held in the City Hall Cowles Council Chambers located at 491 E. Pioneer Avenue, Homer, Alaska and via Zoom Webinar.

**AGENDA APPROVAL**

**PUBLIC COMMENTS ON MATTERS ALREADY ON THE AGENDA**(3 minute time limit)

**RECONSIDERATION**

**CONSENT AGENDA** Items listed below are considered routine and non-controversial by the Commission and are approved in one motion. If a separate discussion is desired on an item, a Commissioner may request that item be removed from the Consent Agenda and placed on the Regular Agenda under New Business.)

**VISITORS/PRESENTATIONS**

**STAFF & COUNCIL REPORTS/COMMITTEE REPORTS**

**PUBLIC HEARING(S)**

**PENDING BUSINESS**

**NEW BUSINESS**

**INFORMATIONAL ITEM(S)**

**COMMENTS OF THE AUDIENCE** (3 minute time limit)

**COMMENTS OF THE CITY STAFF**

**COMMENTS OF THE COMMISSION**

**ADJOURNMENT**

Next regular meeting is **[DAY]**, **[DATE]**, at **[TIME]** p.m. All meetings scheduled to be held in the City Hall Cowles Council Chambers located at 491 E. Pioneer Avenue, Homer, Alaska and via Zoom Webinar.

## **1. CALL TO ORDER**

Session 26-01 a Regular Meeting of the Economic Development Advisory Commission was called to order by Chair Karin Marks at 6:03 p.m. on February 10th, 2026 at the City Hall Cowles Council Chambers located at 491 E. Pioneer Avenue, Homer, Alaska and via Zoom Webinar, and opened with the Pledge of Allegiance.

PRESENT: COMMISSIONERS MARKS, NOOMAH, AREVALO, YOUNG & ZUBEK

ABSENT: COMMISSIONER STARK

STAFF: COMMUNITY DEVELOPMENT DIRECTOR ENGBRETSSEN & DEPUTY CITY CLERK  
PILLIFANT

## **2. AGENDA APPROVAL**

Chair Marks requested a motion and second to approve the agenda.

AREVALO/ZUBEK MOVED TO APPROVE THE AGENDA.

There was no discussion.

VOTE: NON-OBJECTION: UNANIMOUS CONSENT.

Motion carried.

## **3. PUBLIC COMMENTS UPON MATTERS ALREADY ON THE AGENDA**

### **4. RECONSIDERATION**

### **5. APPROVAL OF MINUTES**

A. Unapproved Regular Meeting Minutes of November 12, 2025

ZUBEK/NOOMAH MOVED TO APPROVE THE REGULAR MEETING MINUTES OF NOVEMBER 12, 2025.

There was no discussion.

VOTE: NON-OBJECTION: UNANIMOUS CONSENT.

Motion carried.

## **6. VISITORS/PRESENTATIONS**

## **7. STAFF & COUNCIL REPORT/COMMITTEE REPORTS**

A. February Staff Report

- Engebretsen reviewed topics from her staff report including-Title 21, HERC presentation, wayfinding, streetscapes discussions with DOT, paving, new Credit Union 1, Comprehensive Plan, Board Seat term changes and impacts to AEDC seats.
- Chair Marks asked for Representation from Commission at Council meetings, suggested walking Pratt Museum Trails to see signage styles.
- Engebretsen provided an update on the signage project, sign design and adoption process, sign funding and sign costs.

- Zubeck had questions on signage style and whether old signs would be discarded and if they are available.
- B. ~~Staff Short Term Rentals Report~~ Clerk Pillifant correction, this item amended to move to **10. NEW BUSINESS**
- C. Homer Marine Trades Association- no written report
- D. Kenai Peninsula Economic Development District Report
- E. Guiding Homer's Growth and Housing

## **8. PUBLIC HEARING**

## **9. PENDING BUSINESS**

### **A. CEDS-KPEDD Draft Comprehensive Economic Development Strategy-**

Discussion of process and whether EDC approval is appropriate at this time. Decision to wait for draft plan and then EDC can review and respond individually.

## **10. NEW BUSINESS**

### **A. Short Term Rentals**

NOOMAH/ZUBEK MOVED TO SEND A MEMO TO COUNCIL CONCERNING SHORT TERM HOUSING REGULATION RECOMMENDATIONS.

Discussion on STR regulations followed. Recommendation by Engebretsen to wait for draft plan and to find Council Sponsor. Topics included Ordinance 23-61, existing data, staff resources, strength of language, importance of further discussion.

Engebretsen reminded commission that draft code will be out soon.

Recommendation to listen or attend Planning Commission meeting on 2/18/26.

Recommendation to discuss draft at March AEDC meeting.

NOOMAH/YOUNG MOVED TO POSTPONE THE MOTION UNTIL AFTER THE PLANNING COMMISSION DRAFT IS OUT

There was no discussion.

VOTE. NON-OBJECTION. UNANIMOUS CONSENT.

Motion carried.

## **11. INFORMATIONAL MATERIALS**

### **A. City Manager's Report**

Chair Marks stated that the report included the annual schedule and asked how the recent meeting went. Noomah reported that he attended the meeting and the presentation went well.

Chair requested someone to attend the Council meeting on the 23<sup>rd</sup> of February. Young agreed to attend in February. March is still unassigned. Zubek is signed up for the April Meeting.

**B. Annual Meeting Schedule**

**C. Work Plan**

Rough work plan Engebretsen will bump things on to next agenda if she doesn't have the time to get to an item but she still hopes to accomplish all on Work Plan by end of May so that time after that can be focused on Short Term Rentals or whatever topics bubble up.

**12. COMMENTS OF THE AUDIENCE**

Scott Adams commented about discarded signs he has access to, housing examples, undeveloped property and the freedom to own undeveloped property. He commended Young on his knowledge of local Short Term Rental statistics. Concerning regulations on "dark houses" he is against telling people what they should do with their houses.

**13. COMMENTS OF THE CITY STAFF**

Pillifant thanked Chair for patience with procedural aspects of meeting and reminded commissioners to hand in Conflict of Interest statements.

Engebretsen- Good meeting and discussion. We will see where things go with Planning Commission. Lots of people feel passionately about the STR topic. Encourages commission to weigh timing and resources be mindful of where commission energy is spent.

**14. COMMENTS OF THE MAYOR/COUNCIL MEMBER (If Present)**

**15. COMMENTS OF THE COMMISSION**

Commissioner Young stated that he enjoyed the discussion. We should reserve energy for Title 21. Reminder to keep eye on Kenai Peninsula Education Department discussions.

Commissioner Arevalo said she looks forward to next meeting, mentioned free talks at college, Second Splash at South Central Growers Conference opportunities to learn from experts.

Commissioner Zubek thanked the commission for a great discussion and said she is looking forward to ongoing discussions.

Commissioner Noomah said that he hopes that the EDC can be a resource to the Planning Commission and City Council and Consultants on STR regulations. He senses a reluctance to tackle the issue.

Commissioner Marks said she thinks STR should be its own ordinance not tucked in to Title 21. She reminded commissioners of the open seat on AEDC and said she is happy to call or reach out to any potential applicants. Reminder to feel free to write any memos you'd like. Doesn't have to be Commissioner Noomah.

**16. ADJOURNMENT**

There being no further business to come before the Commission, Chair Marks adjourned the meeting at 7:22 p.m. The next regular meeting is Tuesday, March 10<sup>th</sup>, 2026 at 6:00p.m. All meetings are scheduled to be held in the City Hall Cowles Council Chambers and via Zoom Webinar.

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MARYA PILLIFANT, DEPUTY CITY CLERK

Approved: \_\_\_\_\_



# AGENDA ITEM REPORT

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## March Staff Report

**Item Type:** Information Memorandum  
**Prepared For:** Economic Development Advisory Commission  
**Meeting Date:** March 3, 2026  
**Staff Contact:** Julie Engebretsen, Community Development Director

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1. Title 21 Zoning Code Update: The Planning Commission held their final work session on 2/18. Next up: The *public review draft* of the code will launch in late March, with a planned 45-day comment period. Then later in the Spring, the plan is for a *Public Hearing draft* of the code – this will be a formal public hearing process at the Planning Commission and City Council.
2. For the EDC’s April agenda, the work plan shows the Commission talking about housing/mixed use development and districts such as downtown and Rural Residential (Title 21). The draft code is very long – around 200 pages – if there is another topic that interests you please let me know! I can provide relevant sections of code.
3. Comprehensive Plan: The Kenai Peninsula Borough Assembly is slated to adopt our new Comprehensive Plan on March 17<sup>th</sup>.
4. STRs: Short term rentals continue to be a point of conversation in the community. The public review draft of Title 21 will include some STR regulation. In addition, the Planning Commission will be discussing some ideas at their March 4<sup>th</sup> meeting.
5. HERC Update: AK DEC and the college to hosted a presentation on Thursday February 12<sup>th</sup> about the HERC. See City Manager report for a report, and THANK YOU to Commissioners who are able to attend and support these events.

Commissioner to speak at March 23<sup>rd</sup> CC meeting \_\_\_\_\_  
April 27<sup>th</sup> CC meeting \_\_\_\_\_

# Follow four fundamental guidelines for successful meetings



Gig Harbor, Washington City Council. ©Jurassic Parliament 2018.

Robert's Rules of Order includes **four fundamental guidelines** that will create successful meetings. They are easy to say but take some effort to apply, since prevailing culture is often very different. Run your meetings according to these guidelines so your meetings—and your organization—will flourish.

## **I. The person running the meeting is the servant of the group, and the group is the final authority.**

We are so used to our work situation, where the “boss” is in charge of the “employees,” that we often bring the same habits of mind to meetings of nonprofit boards, city councils, and other volunteer organizations. But in a board of directors or a council, all the members have equal standing. They are peers, and **the leader is one among equals.**

The chair has special duties to RUN the meeting, but does not determine the OUTCOME of the meeting. It is the group that must decide what it wishes to do. It is the chair's duty to assist the group in this task. And the group has the ability to overturn a decision or ruling made by the chair. Read about Point of Order and Appeal [on our website](#) to learn how this is done.

➡ over



## **II. All members have equal rights, privileges and obligations. To ensure this, no one may speak a second time until everyone who wishes to do so has spoken once.**

Every member of a board has an equal right to speak. In practice, however, boards often discuss their affairs in conversational mode. And in conversations, dominant people tend to dominate, and agreeable people tend to let them.

This often leads to a few people dominating the discussion, which is not fair and can lead to poor outcomes. Your quiet, introverted members have important insights that need to be heard.

If you adopt and apply the rule that **no one may speak a second time until everyone who wishes to do so has spoken once**, you will find that your meetings take on an entirely different nature—for the better!

## **III. Courtesy and respect are required at all times.**

In these difficult times, people can be loud, rude and disorderly at meetings. Your chair and your members must insist on **courtesy and respect at all times**. These are not frills, but vital to the democratic process. No personal remarks, no insulting language, no attacks, no interrupting, no sidebar conversations, no disrespectful body language. If this happens, gently but firmly put a stop to it. Read about inappropriate remarks on our website ([local government here](#) and [nonprofit boards here](#)).

## **IV. One thing at a time**

When a group is discussing a certain item, it must stick with that item, or make a conscious decision to set it aside to deal with something else. **You can't slip from one topic to another**, but must be deliberate in how and when you address each issue. Create a thoughtful agenda, time each item, and follow the agenda with flexible care.

Try these four guidelines, which we explain in greater detail in our [book](#), and see what a difference they make to your meetings.

### **Follow four fundamental guidelines for successful meetings**

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# MEMORANDUM

EDAC-26-03

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## Recommendations to Council on Short Term Rentals

**Item Type:** Action Memorandum  
**Prepared For:** Economic Development Advisory Commission  
**Date:** February 4, 2026  
**From:** Julie Engebretsen, Community Development Director

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### SUMMARY:

The Economic Development Advisory Commission reviewed its annual work plan at the regular meeting on January 13, 2026. The Commission determined that short-term rentals remain an ongoing issue for the community and that they would like to forward a recommendation to the City Council regarding potential next steps. This draft memo is provided for the Commission’s review and any amendments prior to passing a motion to send it to the City Council for their consideration. Line numbers are provided so the Commission can make specific edits during the meeting.

A little refresher – the EDC made a recommendation to Council against adoption of a draft ordinance in early 2024. Not to go back too far in time but the gist was this: “EDC RECOMMENDS THAT CITY COUNCIL BRING THIS ORDINANCE BACK TO THE DRAWING BOARD AND DRILL DOWN DEEPER INTO THE ISSUES THAT THEY ENVISIONED THAT THIS ORDINANCE WOULD ADDRESS AND TAKE INTO CONSIDERATION ALL POINTS MADE BY THE EDC, THE PLANNING COMMISSION, AND MEMBERS OF THE PUBLIC.”

**Moving Forward:** Commissioner Noomah has provided a memo, resources and suggestions, attached to this staff report. Theo suggests that the table on page 22 of the NLC publication could be a good starting point for discussing policy goals. Read his memo next and then come back here to the draft memo!

1 **BEGIN DRAFT MEMO TO COUNCIL:**

2 Short Term Rentals continue to be a topic of conversation in the community. The recently adopted  
3 Comprehensive Plan, Chapter 4 Strategy 2 Action d states: “Monitor short term rentals and their  
4 impact on the housing market and develop strategies to mitigate impacts of short-term rentals on  
5 year-round housing.” Although the suggested Target Timeframe is Medium – 3-5 years after plan  
6 adoption, the EDC would like to see the City address these issues sooner. To that end, the EDC would  
7 like the City to consider re-visiting the issue of short-term rentals in fall of 2026, after work on the Title

8 21 Code is complete. It is anticipated that the Current Title 21 Zoning Code Rewrite project will  
9 address Chapter 2 Strategy 2 Action (j) “Clarify the definition of short-term rentals in city code ... and  
10 define in what zones and under what circumstances short term rentals may be allowed.”  
11  
12  
13

14 **Requested Action:**

- 15 1. City Council approval for the EDC to spend several months of meeting time and staff resources  
16 on this topic
- 17 2. (EDC: what timeframe is desired – ie, would you make recommendations to Council in a 6-8  
18 month timeframe, or ...?)
- 19 3. (EDC – what resources would you like? A council sponsor? Funding? Are we hosting events at  
20 the college with an estimated budget impact? Or is the vision this all happens at monthly EDC  
21 meetings? )  
22  
23

24 **Attachments**

- 25 1. Commissioner Noomah’s Memo
- 26 2. Short-Term Rental Regulation National League of Cities
- 27 3. Ordinance 23-62(S) FAILED STR ordinance  
28  
29  
30

(Continuing) Request for Economic Development Advisory Commission to Consider Goals for Short-Term Rental Regulation and Related Policy Levers

Item Type: Action Memorandum

Prepared For: Economic Development Advisory Commission

Date: March 5, 2026

From: Commissioner Theo Noomah

Action Item Requested:

1. Continue our discussion of the following materials, shared last month:
  - a. Short-Term Rental Regulations: A Guide for Local Governments from the National League of Cities.
  - b. Ordinance 23-61 An Ordinance of the City Council of Homer, Alaska Amending Homer City Code Title 5 to add Chapter 5.48 Short Term Rentals
2. Read and discuss the additional attached comment that I submitted to Council for their 2/23/2026 meeting.
3. Expand, edit, or approve the attached memo to Council.

Discussion Points:

1. What goals do we as a commission think STR regulations for Homer should try to accomplish? Consider this list from the NLC paper:
  - a. Prevent the loss of rental housing.
  - b. Slow or prevent the overgrowth of STRs.
  - c. Combat displacement.
  - d. Preserve the residential quality of neighborhoods.
  - e. Balance the needs and rights of property owners and neighbors.
  - f. Ensure the health and safety of guests and residents.
  - g. Capture tax revenue.
  - h. Support tourism in a balanced way.
  - i. Allow for economic gain for residents
2. What goals was Ordinance 23-61 equipped to address? What was it not equipped to address?
3. What goals do we think should be prioritized in the future of STR regulation, and what policy levers should be utilized in a future ordinance? Identify a few and include them in our memo to Council.



# MEMORANDUM

CC-26-050

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## Update on Possible Direct Collection of Sales Tax by Airbnb

**Item Type:** Backup Memorandum, Action Memorandum, or Informational Memorandum  
**Prepared For:** Mayor Lord and Homer City Council  
**Date:** February 19, 2026  
**From:** Councilmember Davis

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### PURPOSE

This memo summarizes information received from Kenai Peninsula Borough (KPB) leadership regarding platform-based collection of short-term rental sales tax, and outlines policy options the Council may wish to consider for improving long-term compliance, administrative clarity, and encouraging a level playing field among lodging providers.

### SUMMARY OF DISCUSSION WITH KPB

On February 12 I met in Soldotna with Borough Mayor Peter Micciche and Finance Director Brandi Harbaugh to discuss the possibility of booking platforms like Airbnb collecting KPB and City of Homer sales tax directly at the time of reservation. I explained that because short-term rentals are decentralized, frequently changing, and primarily transacted through online platforms, there is a widely shared belief that the only consistently reliable point to capture tax is at the moment of booking. Many municipalities nationwide, including Anchorage and Juneau, have already moved to direct collection.

Both borough officials expressed reservations about relying on platform-based collection. Mayor Micciche said he was skeptical about big tech companies handling tax collection correctly. As an STR owner himself, he prefers to handle tax collection manually after booking, by requesting payment directly from guests after they have paid the platform for their stay, and covering the tax himself, from rental proceeds, if payment is not received.

Finance Director Harbaugh said she had several concerns, including reliance on aggregate reporting from Airbnb rather than transaction-level data, the administrative complexity created by multiple KPB jurisdictions with different rates, and the \$500 taxable cap. She said it was also her understanding that Anchorage's agreement with Airbnb had negatively impacted Anchorage's ability to audit local businesses.

At the same time, both the mayor and the finance director emphasized that Homer's 4.85% sales tax is the City's tax, collected by the Borough as an administrative service, and that nothing prevents the

City from entering into its own agreement with booking platforms for direct collection of the City tax at time of booking if it chooses to do so.

The finance director further noted that Borough compliance software regularly identifies STR operators who appear not to be paying sales tax – and that the one KPB municipality with near-perfect compliance is Seward, which requires STR’s to register with the city. Soldotna recently adopted a similar requirement and will likely soon begin exhibiting stronger sales tax compliance rates.

## **POLICY OPTIONS FOR COUNCIL CONSIDERATION**

### 1. Platform-based tax collection at booking

The City could explore agreements with Airbnb (and perhaps eventually other major booking platforms) to collect City sales tax automatically at the time of reservation and remit it directly to the City, as is being done already with Amazon and other online retailers, via the Alaska Remote Sellers Sales Tax Commission (ARSSTC), which remits tax directly to the city, according to KPB officials. This approach captures tax at the moment of transaction, reduces reliance on post-booking collection and reporting, and would simplify compliance for both operators and guests. Hosts would likely ask Airbnb to collect Borough tax collection simultaneously (as many of them do already on a voluntary basis) so that guests experience a single checkout process.

### 2. Local short-term rental registration requirement

As an alternative or complementary approach, the City could revisit adoption of a registration requirement for short-term rentals similar to Seward’s system. Borough staff report that such programs significantly improve visibility of operators and overall compliance. Homer previously considered such a framework and Council may wish to evaluate whether circumstances now favor revisiting it.

Hello Council,

This letter is in response to the memo “Update on Possible Direct Collection of Sales Tax by Airbnb.”

I would like to submit another consideration regarding revenue collection from short-term rentals by a city. While I agree that sales tax compliance is important, there is an advantage to collecting more of the revenue from short-term rentals through annual administrative fees rather than from taxes.

Any tax or fee put on short-term rentals will increase the cost of operating a short term rental. This will be reflected in the price and, as a result, consumers will book fewer rental nights. A tax will apply to all short-term rentals equally, so it will make them all less efficient (fewer nights booked per year). A fee, especially paired with a cap on the number of licenses, will shrink the pool of operating rentals. Some rentals will drop out of the market and others will operate more efficiently.

Here is a simplified example for a hypothetical town with 100 Airbnb units in a market with unit elasticity of demand for rental nights (*i.e.*, when the cost of a rental night goes up 1%, demand goes down 1%).

	Status Quo	Tax	Fee
# of Units	100	100	67
Avg Nights/Year	50	40	~60
Total Nights	5,000	4,000	4,000
Tax/Fee Rate	0	0	\$2,388/year
Avg Price/Night	\$200	\$200	\$200
Avg Tax or Fee/Night	\$0	\$40	\$40
Revenue		\$160,000	\$160,000

In this hypothetical example, the tax and fee are equivalent in terms of the revenue raised and the reduction in the number of visitor-nights. The biggest difference is that in the tax scenario, 100 STRs continue to operate and in the fee scenario, 33 STRs leave the market.

The fee scenario is better from many perspectives:

- It is better for the town government because it is easier to administer.
- It is better from a workforce housing perspective because 33 units exit the STR market to potentially become owner-occupied homes or year-round rentals.
- It is better overall for the operators in the STR market. In markets with lots of small businesses all competing for a limited resource, it is common to shrink the number of

licenses so that the remaining businesses can continue to operate profitably. This should seem familiar because it is the principle behind NOAA commercial fishing permit buy-back programs.

- When there is a reduced crab population, it is better to reduce the number of crabbing boats so those that remain in the market can make a profit, rather than for a larger crabbing fleet to operate at a loss.
- When a tax or fee would reduce the demand for visitor-nights in a town, it is better to reduce the number of STRs so that the remaining ones can continue to operate profitably.

Respectfully yours,

Theo Noomah

Dear Council,

We, the Economic Development Advisory Commission, have read the National League of Cities' guide for local governments on short-term rental (STR) regulations and discussed its recommendations. We find that Homer would be well served in passing an STR permitting ordinance in the coming months and that it should include some or all of the following features:

1. A quick and easy online permit registration process.
2. Hierarchical permit tiers to allow for differentiation between units with different impacts on the housing market and neighborhood character, e.g. a single bedroom in an owner-occupied home vs a corporate-owned single family home.
3. Fees that vary by permit tier.
4. Caps on the number of permits in some tiers.
5. Flexibility for City staff to make adjustments to the fee and cap schedule.
6. For fines and fees from the STR permitting process to fund administration of the program and for remaining revenue to go into an affordable housing program fund.

We believe a simple tiered STR permit scheme would have both practical and political improvements over the previous STR ordinance, 23.61 including:

- It can minimize the administrative burden for small casual operators.
- It can better balance the needs for both vacation and year-round housing.
- It can bring in revenue, like bed taxes do in most of Alaska's home-rule cities.
- It could help strike a compromise between fully allowing or prohibiting STRs that could be deemed noncompliant under new zoning rules.

We request one or more council sponsors interested in working with us to craft a STR ordinance and appropriate staff support.

Sincerely,

The EDC

# Short-Term Rental Regulations:

A GUIDE FOR LOCAL GOVERNMENTS





CENTER FOR CITY SOLUTIONS

### About the National League of Cities

The National League of Cities (NLC) is the voice of America's cities, towns and villages, representing more than 200 million people. NLC works to strengthen local leadership, influence federal policy and drive innovative solutions.

NLC's Center for City Solutions provides research and analysis on key topics and trends important to cities, creative solutions to improve the quality of life in communities, inspiration and ideas for local officials to use in tackling tough issues, and opportunities for city leaders to connect with peers, share experiences and learn about innovative approaches in cities.

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### Acknowledgments

The authors wish to recognize **Matthew Disler** of the Harvard Berkman Klein Center for Internet & Society for his contributions to this report and **Kristin Szakos** for copy editing. The authors also wish to thank the city staff and elected officials who agreed to be interviewed to inform this report, including those from **Fayetteville, AR, San Diego, CA, Charleston, SC, Lake Placid, NY, Columbus, OH, and Henderson, NV.**

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# Foreword

**I**N RECENT YEARS, short-term rentals have increased in cities, towns and villages across the United States. As a result of this growth, local leaders have had to grapple with competing benefits and challenges – in particular, how to ensure a healthy stock of affordable housing and how to support local tourism and economic development opportunities. One of the top priorities for city leaders today is to ensure that residents and visitors to their communities have access to safe, affordable lodging.

These competing priorities make passing regulations difficult, which is why it’s not surprising that short-term rentals have become a common topic of discussion among our members at the National League of Cities (NLC). Members faced with these challenges often ask us: “What tools are available to assist me with regulating short-term rentals in my community?”

This persistent question led NLC to research short-term rental regulations in cities across the country and ultimately produce *Short-Term Rental Regulations: A Guide for Local Governments*. Based on an analysis of 60 short-term rental ordinances, this action guide lays out a detailed overview of best practices for cities to develop and pass short-term rental regulations in their communities.

While no two municipalities face the same opportunities and challenges when it comes to regulating short-term rentals, this research provides insight into how to chart a path forward successfully. This guide recommends local leaders create and enforce firm and fair regulations by focusing on clear policy objectives, centering racial equity as a critical component in their planning and actively engaging with relevant stakeholders throughout the process.

Short-term rentals can open a swath of opportunity for homeowners looking to make additional dollars, while also providing economic development opportunities in neighborhoods that may not generally see high levels of tourism. By bringing community and industry leaders together, local leaders can create policies that work for both – and maximize the potential value of short-term rentals for hosts, guests and neighbors alike, all while protecting the affordability of neighborhoods.

While short-term rentals are a prominent issue today, this challenge is not a new one for local leaders. There are often difficulties that come with maximizing economic growth while protecting community interests. Mayors, councilmembers and other local elected officials are well-equipped to help bring stakeholders together to understand and navigate potential trade-offs.

Local leaders have an incredibly important role to play in capitalizing on the benefits of short-term rentals and minimizing potential negative impacts. I hope this resource will help your community make decisions about short-term rentals that are best for your residents.



**Clarence E. Anthony**

CEO AND EXECUTIVE DIRECTOR  
National League of Cities



# Introduction

**T**HE RAPID GROWTH of short-term rentals in cities, towns and villages across the U.S. has caused much controversy. From contentious City Hall meetings where residents advocate for more stringent or more relaxed regulations to lengthy and expensive legal battles between cities and short-term rental platforms, cities can get caught in the cross-hairs of a complicated policy issue. Short-term rentals present no shortage of challenges for local leaders, as they can affect housing availability and affordability, local tourism and economic development, neighborhood wellbeing, and health and safety. However, many cities have learned important lessons in navigating these complex issues and offer some best practices for others to learn from.

Regulation of short-term rentals has proven to be an important and effective tool in making short-term rentals work for all parts of the community. Regulations that define what short-term rentals are and have appropriate mechanisms in place should intervention be necessary have helped city leaders steer the conversation toward solutions and meeting community needs. The purpose of regulating short-term rentals is not to be overly punitive or to prohibit them, but to put safeguards and appropriate enforcement mechanisms in place for when problems arise.

This Action Guide will not settle debates about the specific impacts of short-term rentals on each community. Instead, it aims to equip local leaders with appropriate information and tools to adopt or amend ordinances that serve their community best: policies that are equitable; that protect municipal interests such as health and safety and housing affordability; that preserve the residential quality of neighborhoods; and that enable responsible and eligible residents to earn some additional income.

# Defining Short-Term Rentals

## What is a Short-Term Rental?

In general, short-term rental (STR) refers to an activity in which one party, the “host,” agrees to rent out all or part of a home to another party, the “guest,” on a temporary, time-limited basis. The precise legal definition of a short-term rental varies by community. Most short-term rental ordinances include details on the following types of provisions that define short-term rentals for a particular community:

### **LOCATION AND 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

# What Can Communities Regulate?

Regulations vary, depending on the needs of the locality issuing them. In a community where vacant properties are a problem, regulations might focus on upkeep and oversight. In a community where housing stock is scarce, regulations might be put in place to limit the number of properties lost to residential rentals.

Generally, however, regulations include some combination of the following provisions:

PROVISIONS	DETAILS
<p><b>LOCATION AND USE</b></p>	<p><b>Geographic limits:</b> Cities can decide to limit the availability of STRs in specific areas of cities, such as particular residential areas or neighborhoods with specific historic character.</p> <p><b>Commercial-residential distinctions:</b> Cities can establish different rules for properties in residential and commercial areas to account for the different interests of communities in each of these areas.</p>
<p><b>TIMING</b></p>	<p><b>Primary residence requirements:</b> Cities can require that the STR is occupied by the host for most of the year, and/or that the rental is in or part of the owner’s primary residence.</p> <p><b>Day limits:</b> Cities can include provisions capping the number of days per year that hosts can rent their STR.</p>
<p><b>MANNER OF RENTAL</b></p>	<p><b>Registration and licensing:</b> Cities can require hosts to register their properties with the city and can require rental platforms (e.g., Airbnb, Vrbo, etc.) to ensure that properties listed on their sites are properly registered.</p> <p><b>Taxes:</b> Cities can require that hosts pay transient occupancy taxes, which are taxes on what guests pay for temporary lodging in the city and are usually collected and remitted by hotels, motels and similar businesses. Cities can also work with STR platforms and other third-party providers to minimize the burden of tax remittance.</p> <p><b>Occupancy limits:</b> Cities can limit the number of guests per stay, usually by establishing a guests-per-bedroom or per-property cap.</p> <p><b>Health and safety regulations:</b> Cities can require STRs to have fire safety equipment and carbon monoxide detectors; display emergency information for guests; adopt measures to maintain a sanitary residence; and adopt plans for emergencies, among other requirements.</p> <p><b>Noise and event regulations:</b> Cities can restrict the use of STRs for large gatherings and events, and they may explicitly require that guests comply with existing noise, trash and parking ordinances.</p>

## The Issue

Short-term rentals are not a new concept. Companies like Vrbo, HomeAway, Couchsurfing and Craigslist have offered consumers short-term rental options since the late 1990s without much controversy.<sup>1</sup> The meteoric growth of the short-term rental industry in the 2010s changed that. Companies like Airbnb, Vrbo, HomeAway and FlipKey grew in popularity while consumer appetite for more original, authentic and local experiences increased, driving demand higher.

As short-term rentals become more accessible to both hosts and users, use skyrocketed over a short period. But the meteoric success of short-term rental platforms has not been welcomed unreservedly. Common complaints are that short-term rentals can drive up local rents, limit the availability of long-term residential rentals, attract an influx of tourists and create excessive noise.<sup>2</sup>

Local leaders attempting to chart the pathway forward for short-term rentals in their communities must respond to many competing interests, making passing regulations and balancing those interests difficult. Some of these issues that must be considered include:

### Housing

The research is divided on whether short-term rentals contribute to the housing crisis. Regardless of whether the exact impact on the housing market is measurable, it is undeniable that many cities in the U.S. face a housing crisis - due to a shortage of affordable housing, steady decline in federal investment in low-income housing, wage growth stagnation, etc. - and that short-term rentals may contribute to housing unaffordability and unavailability.

## **Tourism**

Short-term rentals outside of the typical tourism areas in cities can be a boon to local economies, spreading dollars across the cities in ways that traditional lodging accommodations do not. On the other hand, cities with high tourism rates face a greater share of the negative impacts of short-term rentals in communities. In high-tourism communities, large numbers of whole home rentals can affect neighborhood cohesion, as they may stand empty for weeks at a time or experience high turnover in guests.

## **Preemption**

Preemptive state laws can limit cities' ability to regulate short-term rentals. The impacts of preemptive laws can range from a complete inability to regulate, to restrictions on the kinds of regulations that can be imposed.

## **Public Health and Safety**

Poorly regulated and unsupervised short-term rentals can threaten the safety of neighborhoods for residents and guests alike. Party houses have become a significant point of contention in some communities. Guests may ignore or be unaware of noise, trash and parking ordinances.

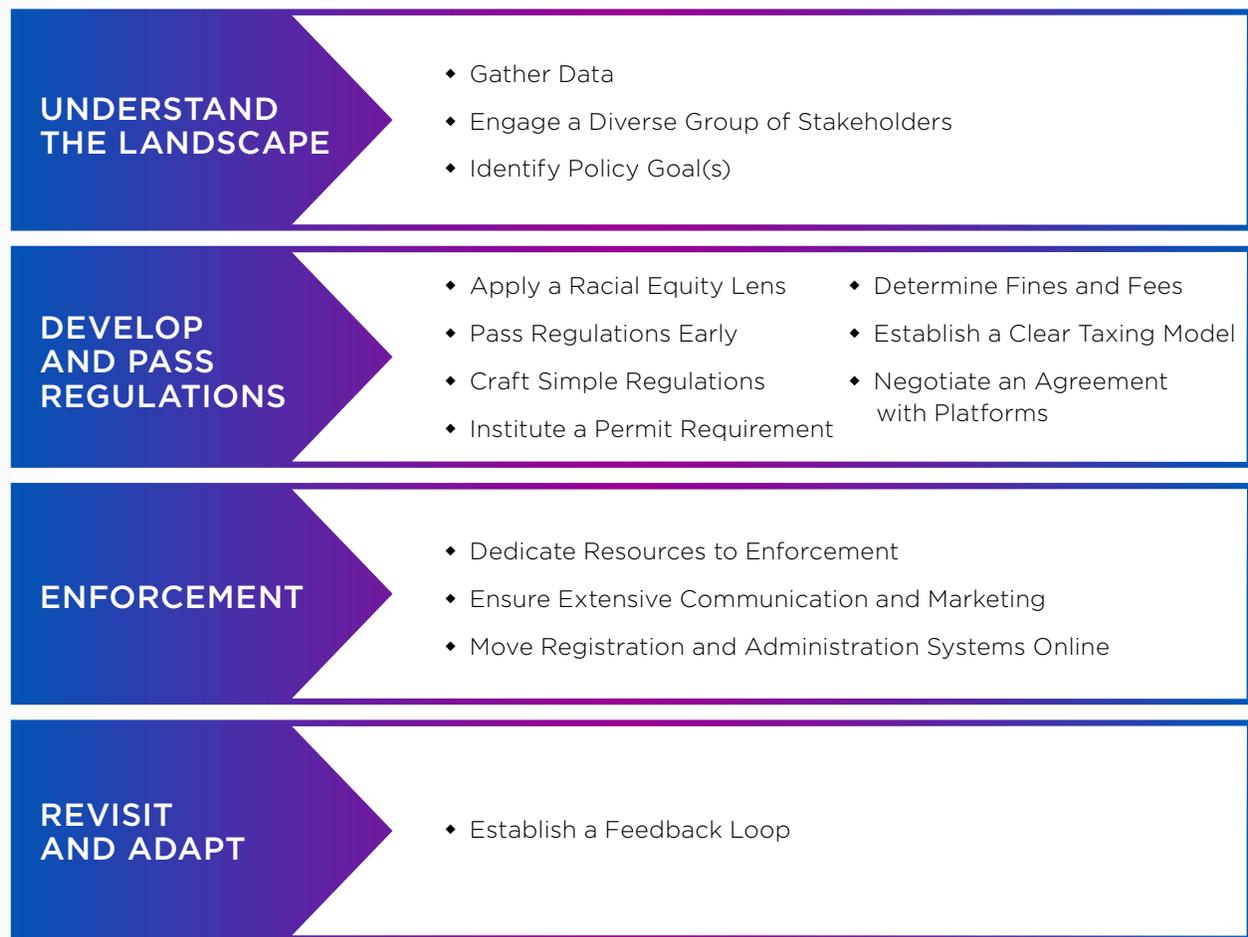
For myriad reasons — both within and outside of city control — cities may find it difficult to enforce the regulations they do have. Some ordinances are difficult for hosts and residents to understand and difficult for the city to enforce because they are overly complicated or poorly publicized. In other instances, cities may have no systematic way to identify hosts who are not in compliance or to keep track of what properties are being used for short-term rentals, and when. Understanding the most common barriers to effective regulation — unclear rules and lack of data — is key to making sound policy choices. Despite the limitations and challenges that city leaders face, local leaders can pass regulations that effectively balance competing interests, fit community needs, and most critically, are enforceable.

# Recommendations: Short-Term Rental Regulations

This Action Guide will help local leaders break down the process of developing a short-term rental ordinance, provide relevant city examples and identify key tips. The following recommendations are a menu of policy principles and good practices that cities should explore when establishing or updating their regulations, based on research into short-term rental ordinances and policies across the country.

**T**HE NATIONAL LEAGUE of Cities analyzed 60 short-term rental ordinances to inform this report across 30 indicators, including the legal definition of short-term rentals, regulations and enforcement. At least one city, town or village was selected in each state, with two cities, towns or villages selected for the top ten states by population (California, Texas, Florida, New York, Pennsylvania, Illinois, Ohio, Georgia, North Carolina and Michigan) to ensure that a diversity of local context was represented in the analysis.

The recommendation sections (Understand the Landscape, Develop and Pass Regulations, Enforcement, and Revisit and Adapt) are meant to build off each other and should therefore be executed in chronological order. They are detailed in the section below.



## UNDERSTAND THE LANDSCAPE

Before passing regulations, understand the local short-term rental landscape. This should involve extensive information gathering and thorough engagement with relevant stakeholders. Be mindful of what issues are associated with short-term rentals in your community to determine the goals your policy should meet.

### GATHER DATA

**While anecdotes are powerful, they are not a proxy for actual data to estimate the number and location of short-term rentals operating in a community.** In some cases, data may be available through third-party platforms such as Inside Airbnb or AirDNA. Knowing approximately how many units may be on the market is critical to understanding the scope of the issue.



#### 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?

Additional data sources that can help supplement short-term rental-specific data to develop a comprehensive picture of the local landscape can include tourism, housing and complaint data. Connect with local tourism boards to gather information such as how much money visitors are spending, where visitors are spending their money, where they are staying, where they are spending their time and how long they are staying. Leverage data sources such as the American Community Survey to understand the breakdown in renter vs. homeownership

rates, vacancy rates and demographic information in different neighborhoods to contextualize short-term rentals in the broader housing landscape. Records of noise and nuisance complaints (e.g., through 311 calls or similar complaint or service request software) can also help cities understand where these complaints are filed and what they are.

## ENGAGE A DIVERSE GROUP OF STAKEHOLDERS

**Engage a network of stakeholders, including but not limited to tenants, landlords/homeowners, hotel and motel industry representatives, neighborhood organizations, housing advocates, tourism agencies and short-term rental platforms.** This mix will look different for each city, but identifying relevant stakeholders will be key to understanding the challenges and opportunities each city faces.

Hold virtual or in-person town hall meetings, drop in on various group meetings (e.g., landlord associations, property owner groups, neighborhood associations, etc.) and solicit comments from members of the public to gauge the perceptions of short-term rentals directly from community members. Cities can, for example, work with neighborhood associations to map areas especially strained by short-term rentals or tourism. Residents have the closest ear to the ground. City leaders should leverage this knowledge to their advantage.

Cities have a lot to gain by partnering with platforms, but the relationship-building process can be contentious at times. These relationships are more likely to be positive when cities come to the discussion table with a clear goal in mind and communicate it with the platforms.

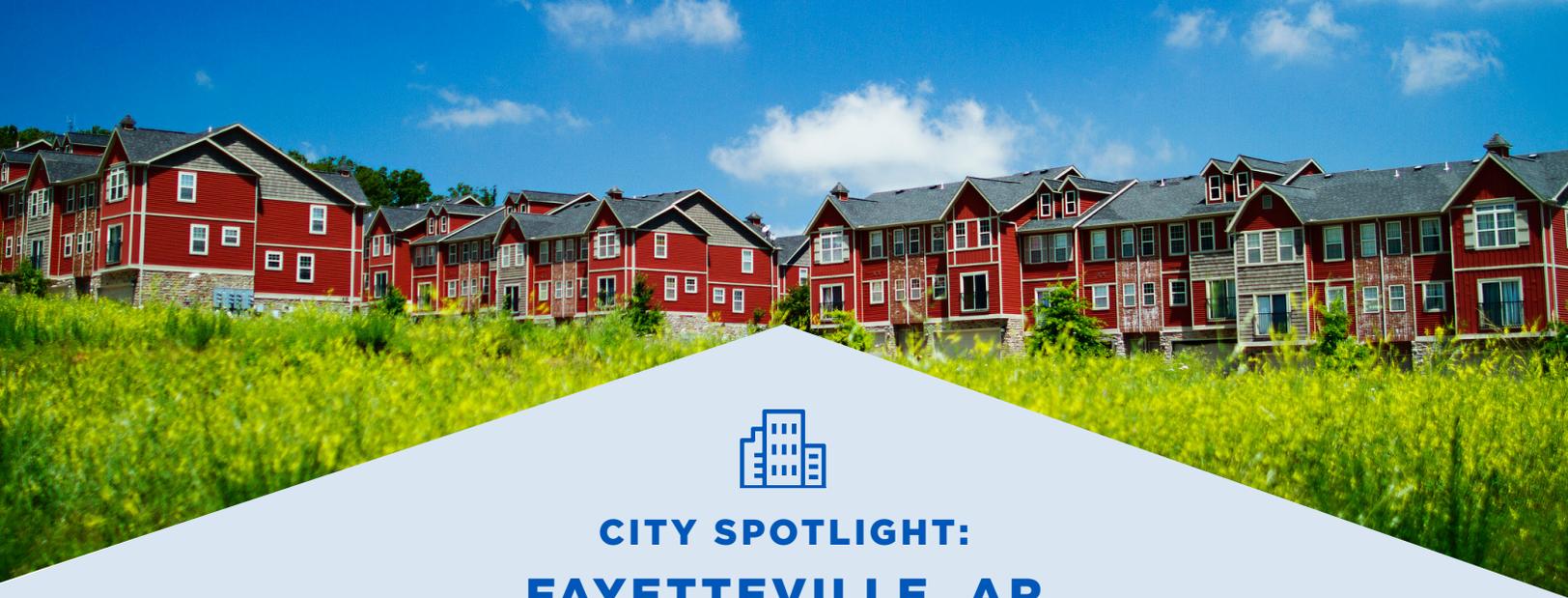


### POTENTIAL STAKEHOLDERS INCLUDE:

Motel and lodge union or association  
Hotels or hotel union or association  
Realtor groups or associations

Restaurant associations  
City Council  
Local planning groups and organizations  
Existing short-term rental operators

Platforms (e.g., Airbnb, Expedia, etc.)  
Neighborhood associations  
Housing advocates  
Tourism agencies



## CITY SPOTLIGHT: FAYETTEVILLE, AR

In 2018, the City of Fayetteville’s Sustainability Department worked with the University of Arkansas’ Public Policy Department to explore short-term rentals. The students leveraged data sources such as AirDNA to gather the following information:

- ◆ Active rentals
- ◆ Average booked properties
- ◆ Occupancy rate
- ◆ Average booking rate per night
- ◆ Average Airbnb private room price (Fayetteville)
- ◆ Average hotel room price (Fayetteville)
- ◆ Average Airbnb private room price (Downtown Fayetteville)
- ◆ Average hotel room price (Downtown Fayetteville)<sup>3</sup>

Based on this information, the students generated maps of short-term rental locations in the Fayetteville area, noting a large concentration of Airbnb rentals in the downtown area. This analysis was presented to city staff and elected officials in December 2018 to inform their discussion on short-term rentals in Fayetteville.



## CITY SPOTLIGHT: SAN DIEGO, CA

While drafting its short-term rental ordinance, the City of San Diego engaged a wide variety of stakeholders including:

- ◆ Unite Here, a union for motel/lodges
- ◆ Neighborhood groups
- ◆ Hotel stakeholders, including the hotel/motel association
- ◆ Realtor groups and associations
- ◆ The restaurant association
- ◆ City Council
- ◆ Local planning boards and organizations
- ◆ Pre-existing STR operators
- ◆ Expedia Group and Airbnb

A staff member from the San Diego City Council conducted meetings with the stakeholders. The meeting format and length varied. The city representative sometimes met stakeholders individually or invited them to speak at public meetings. Those interested in engaging longer-term were invited to a permanent stakeholder group. The stakeholder group continues to provide input on short-term rental regulation implementation.

Compromise was eventually reached, most notably in the form of a memorandum of understanding (MOU) between Unite Here and Expedia Group. Through the MOU, these two major stakeholders with different perspectives agreed to partner to help regulate the short-term rental market. The MOU also laid the foundation for the regulations that the city would push forward when engaging with other stakeholder groups. Following this engagement process, the ordinance was presented to the public, Planning Commission, mayor and Coastal Commission. The city found that putting the time in to build relationships and establish trust between the municipality and short-term rental platforms was essential to the ordinance's success. Further, going into the process with a clear goal, while being mindful of what compromises could be made, allowed the city to achieve buy-in from a diversity of stakeholders.

## IDENTIFY POLICY GOAL(S)

**Develop a clear and concise policy goal for the short-term rental ordinance, driven by the city’s overarching goals and community input.** Review strategic city plans (e.g., comprehensive housing plans, 5- and 10-year city visions, master plans) and identify top city priorities that may dovetail with priorities for short-term rentals. For example, a city may have a broader goal to advance housing affordability and may choose to focus on preserving the stock of affordable housing as a policy goal. Or a city may have the broader goal to attract more tourism and choose to focus its regulations on enabling short-term rentals with appropriate guardrails in place as the tourism industry continues to grow.

Cities should be intentional about setting a goal or priority before drafting regulations. Without a clear “end goal,” cities can pass regulations that may not align with community priorities, and do not have effective mechanisms to accomplish them. By deciding on a policy and community goal, cities can craft a simpler and more targeted ordinance.

Common goals, based on NLC’s analysis of 60 cities, include:

- ◆ Prevent the loss of rental housing stock
- ◆ Support tourism in a balanced way
- ◆ Combat displacement
- ◆ Preserve the residential quality of neighborhoods
- ◆ Ensure health and safety for guests and residents
- ◆ Balance the needs and rights of property owners and neighbors
- ◆ Allow economic gain for residents
- ◆ Capture tax revenue
- ◆ Slow or prevent the overgrowth of STRs



### KEY CONSIDERATION

Balance competing expectations. By their nature, short-term rentals can be a contentious issue, with strongly vested interests on all sides. Each stakeholder will have to make concessions from their vision of “ideal” regulations, so helping the community and STR platforms understand that compromise is needed is critical to setting realistic expectations. Having a clear policy goal will also help coalesce stakeholders around the city’s broader vision and help justify policy choices.



## CITY SPOTLIGHT: CHARLESTON, SC

The City of Charleston began regulating short-term rentals in 2012, when it adopted regulations that allowed commercially zoned properties to be rented as short-term rentals in the Cannonborough Elliotborough neighborhood. The goal of the regulation was to bring reinvestment into vacant, abandoned and distressed properties in the neighborhood. In subsequent years, the city saw an increase in the number of short-term rental units in Cannonborough Elliotborough and throughout Charleston. With a growing number of short-term rentals and an incoming mayor interested in revisiting short-term rental regulations, the policy moved to the forefront of Charleston's agenda again.

In 2016, the mayor and City Council began the process of updating short-term rental regulations by appointing a committee of local citizens to study and provide recommendations on short-term rentals. The committee included residents, representatives of the city's preservation and historical societies, and tourism interests. Over time, a consensus was built around the goal to preserve the historic nature of downtown Charleston and allow short-term rentals to contribute to the local tourism economy, but only in such a way that did not alter the character of the city and negatively affect residents' quality of life.

Based on this consensus, the city developed a category-based short-term rental permitting system that requires most short-term rentals to be owner-occupied, and details additional requirements for properties located in downtown Charleston or in properties listed with the National Register of Historic Places.

## DEVELOP AND PASS REGULATIONS

As the short-term rental industry continues to mature, it has become clear that complex regulations are not only cumbersome for hosts and residents of the city but are also unenforceable. Policies with clear goals, fair implementation and mechanisms for enforcement will help everyone.

### APPLY A RACIAL EQUITY LENS

One of the most commonly cited benefits of short-term rentals is that they allow hosts to generate extra income from existing assets. While this may be true, hosting is most commonly available to those who own a home. Homeownership is inseparable from race and inequality in America. According to the latest estimates from the U.S. Census Bureau, the homeownership gap between White and Black households was 30 percent in 2020.<sup>4</sup> According to NLC's ordinance analysis, only 38 percent of cities surveyed specifically allowed tenants to host a short-term rental. Even then, cities that do explicitly state that tenants are allowed to host require them to acquire written consent from their landlords or have a rental contract that allows them to sublet their unit. Tenants face a high barrier to host even in the minority of cities that allow them to.

**38%**  
of cities surveyed specifically allowed tenants to host a short-term rental.

**The ability of short-term rentals to democratize the tourism industry is overstated when a majority of Black, Indigenous and People of Color (BIPOC) do not have access to homeownership.** Given the divide in homeownership in America, the direct economic benefit of short-term rentals may exacerbate existing inequality. There is also evidence that hosts may discriminate based on race and ethnicity. A 2017 study of Airbnb data found that “applications from guests with distinctively African-American names are 16 percent less likely to be accepted relative to identical guests with distinctively White names.”<sup>5</sup> Airbnb has since made moves to fight bias and discrimination, including changing when guest pictures are shown to a host in the booking process.<sup>6</sup> The city of Columbus, OH, passed a discrimination clause in its ordinance stipulating that a host shall not decline a potential guest, impose different terms or conditions, or discourage or indicate a preference for or against a guest based on race, gender, sexual orientation, gender identity or expression, color, religion, ancestry, national origin, age, disability, familial status or military status.<sup>7</sup>



### KEY CONSIDERATION

Recognize the role that short-term rentals play in exacerbating housing unaffordability. Consider dedicating some portion of STR permit or tax revenue towards affordable housing funds or homeownership opportunities, or earmarking general fund dollars for similar programs. Boulder, CO stipulates in its ordinance that “after administration expenses are met, any additional funds shall be placed in the city’s affordable housing fund.”<sup>8</sup>

## PASS REGULATIONS EARLY

The short-term rental industry is rapidly growing. **Given the complexity of the policy and regulatory space, be proactive and establish regulations before short-term rentals have a negative impact on the community.** Establishing regulations gives cities the power to intervene when necessary. It is much easier to limit the spread of short-term rentals before they have proliferated than it is to retroactively remove them from the market. Establishing regulations also becomes increasingly controversial as more stakeholders have a vested interest in seeing them maintained. Even cities that have not yet faced the negative impacts of short-term rentals should pass regulations to regulate the STR market before they proliferate.



### KEY CONSIDERATION

A common hurdle that cities face is what to do with pre-existing short-term rentals once a new ordinance is passed. In 58 percent of the cities reviewed in the NLC ordinance analysis, cities required existing hosts to comply with regulations or apply for a permit or license. Cities must communicate early and clearly with existing hosts about their responsibilities under a newly passed or revised ordinance to give them time to meet new regulations.

## CRAFT SIMPLE REGULATIONS

Craft simple ordinances that are clear about policy goals. This will better equip leaders to engage in conversation with platforms, residents, property owners and other stakeholders invested in the ordinance outcome. Below is a list of common goals found in the ordinance analysis, and key ordinance elements to achieve those goals.

## Policy Levers to Pull to Achieve Common Policy Goals

POLICY GOAL	POLICY LEVERS
<p><b>PREVENT THE LOSS OF RENTAL HOUSING</b> Prevent long-term rental properties from being converted to short-term rentals.</p>	<p>Adopt a permit requirement and institute a host residency requirement, which should prevent homeowners from renting properties solely as short-term rentals and prevent properties from being purchased for the sole purpose of operating as short-term rentals.</p>
<p><b>SLOW OR PREVENT THE OVERGROWTH OF STRS</b> Prevent residential neighborhoods from being “overtaken” by guests to the detrimental of the neighborhood and residential feel of a neighborhood.</p>	<p>Adopt a permit requirement and set a specific quota (number or percentage) on the number of short-term rental permits that will be distributed in a particular geographic area (e.g., neighborhood, census tract, ZIP code, etc.).</p>
<p><b>COMBAT DISPLACEMENT</b> The presence of short-term rentals can be particularly contentious in certain neighborhoods (e.g., neighborhoods that are experiencing displacement).</p>	<p>Adopt a permit requirement and set a quota on the number of short-term rentals that are allowed to operate in a specific zoning district or neighborhood, particularly areas of the city that are at risk of, or are currently experiencing displacement pressure. Beware that such quotas can limit existing low-income homeowners’ ability to earn revenues from their homes. Therefore, consider how to equitably distribute permits.</p> <p>Consider dedicating some revenue generated from permit fees or taxes to affordable housing or home-ownership programs. Explicitly restrict affordable housing units from being rented out as short-term rentals.</p>
<p><b>PRESERVE THE RESIDENTIAL QUALITY OF NEIGHBORHOODS</b> Limit problem properties such as party houses or houses with complaints.</p>	<p>Adopt a permit requirement and include a limit to the number of people that can stay in a short-term rental. This limit can be tied to the number of bedrooms in a short-term rental, or a total cap on the number that can stay in any type of property. A common limit that cities institute is two adults per bedroom.</p> <p>Require that short-term rental hosts provide their guests with a “Good Neighbor Guide” that summarizes all ordinances that guests are required to comply with during their stay (e.g., noise, trash, parking, etc.).</p> <p>Set restrictions on the number or percentage of short-term rentals that are allowed to operate in a particular neighborhood (or other geographic areas, such as census tract, ZIP code, etc.).</p>
<p><b>BALANCE THE NEEDS AND RIGHTS OF PROPERTY OWNERS AND NEIGHBORS</b> While lawful hosts have the right to rent their properties out, they should not infringe on the rights of neighbors. Enable hosts to rent out their homes while also ensuring that residents know where and how to file a complaint.</p>	<p>Adopt a permit requirement and establish a process for revoking permits from properties in violation, such as a “three strikes” rule. If three verified complaints are filed within a certain time, the city can revoke a host’s permit.</p> <p>Establish a 24/7 hotline that residents can phone to report non-emergencies without calling the local police department or law enforcement. Require short-term rental permit hosts to list a local contact who can be reached should an issue arise.<sup>9</sup></p>

POLICY GOAL	POLICY LEVERS
<p><b>ENSURE HEALTH AND SAFETY OF GUESTS AND RESIDENTS</b>            Ensure the safety of guests and residents, including minimizing public safety risks and noise and trash complaints.</p>	<p>Adopt a permit requirement that requires each listing to include a local contact who can be reached at any time. Use this emergency contact if a complaint is filed. Stipulate that if the registered contact is not responsive, the host's permit risks being terminated.</p> <p>Institute a permanent residency requirement. City leaders report that most complaints come from non-owner-occupied units. Hosts may be more invested in their property if they, too, call it home.</p> <p>Require that short-term rental hosts provide their guests with a "Good Neighbor Guide" that summarizes all ordinances that guests are required to comply with during their stay (e.g., noise, trash, parking, etc.).</p> <p>Require an inspection, or, if the city cannot carry out inspections, stipulate that the city has the right to inspect a property should sufficient suspicion arise that the property is not up to code.</p> <p>Institute a process for revoking permits from properties in violation, such as a "three strikes" rule. If three verified complaints are filed within a certain time, the city can revoke a host's permit.</p>
<p><b>CAPTURING TAX REVENUE</b>            Ensure that revenue is being collected.</p>	<p>Adopt a permit requirement that will make it easier to identify whether hosts are complying and paying the appropriate taxes. Use permit and tax revenue to either hire additional staff or a third-party provider to help monitor compliance.</p> <p>Reach an agreement with platforms that requires them to automatically collect and remit taxes back to the city. Be wary of the transparency of the tax remittance process and ensure that the city's enforcement powers are not stifled.</p>
<p><b>SUPPORT TOURISM IN A BALANCED WAY</b>            Tourism is a key component to many local economies and short-term rentals can play a role in facilitating tourism without impacting residents if done in a balanced way.</p>	<p>Adopt a permit requirement and set an annual permit reapplication. Make clear that applications can be denied if regulations change. Adopting a formal permit requirement will not deter hosts from participating, so long as the permitting process is not overly cumbersome. Ensure the permit fees are reasonable and tied to the cost of administering the permit program.</p>
<p><b>ALLOW FOR ECONOMIC GAIN FOR RESIDENTS</b>            Short-term rentals can support wealth building for community members, although city leaders must pay attention to who is eligible to host.</p>	<p>Adopt a permit requirement. The permit system should be simple and easy to navigate, particularly if the city is trying to encourage more permanent residents to host on a part-time basis. If the administrative burden is too high, few will be willing to put in the effort.</p>

## INSTITUTE A PERMIT REQUIREMENT

Enforceable short-term rental ordinances require owners who want to host short-term rentals to acquire a permit before renting. In general, a permit requirement allows local governments to create and maintain a database of units and contact information for properties that are operating as short-term rentals. **The information provided in an application is key to enforcing the ordinance, allowing the city to have a point of contact to check in with when a property is not in compliance.**<sup>10</sup> Without information on who is operating short-term rentals, cities are effectively rendered helpless in enforcing their regulations. Having an active database of short-term rentals in operation is key to moving from a reactive to a proactive approach to enforcement.

**To ensure that hosts are acquiring permits, the city must have a mechanism to check to ensure compliance.** Some cities, like San Francisco, have negotiated agreements with platforms that require the platform to put a permit number on the host listing.<sup>11</sup> In other cases, cities have hired third-party platforms to aid their enforcement efforts. The City of Nashville, TN, uses Granicus's Host Compliance, a short-term rental compliance monitoring platform, to support enforcement efforts. According to Nashville officials, the Code Department was struggling to enforce its regulations when they were relying on a complaint-based process. The city was manually identifying STR addresses. With more than 60 active rental websites and private addresses and contact information, it proved to be too herculean an effort to maintain. Host Compliance's online portal enables the city to identify illegal operators before there is a complaint, moving from reactive to proactive enforcement. Since implementing Host Compliance, Nashville has more than doubled its compliance rate to 91 percent.<sup>12</sup>



### KEY CONSIDERATION

Without a clear and streamlined application or licensing process, applications may backlog. This leads to an unhappy and distrustful community and may encourage illegal rentals to operate while they are in the process of being considered for a permit. In some cases, operators will purposely and continuously file for permits and operate while under consideration.

Always tie the permit to the person, not the parcel. This will allow for natural attrition over time (e.g., someone sells their home, and the new owner must reapply for a short-term rental permit).

## DETERMINE FINES AND FEES

Many cities adopt fine structures to incentivize compliance by short-term rental hosts. According to NLC’s analysis, fines range from \$200 a day to \$2,000 per violation, which may escalate each day. Beyond deciding the fine structure, cities must have adequate staff and resources to identify hosts who are not in compliance and communicate to hosts how to stay in compliance and avoid violations.

**Fines should be proportionate to or more than the economic gains that potential violators can realize from breaking the rules, and should escalate for repeat violators, including the threat of revocation of a permit or license.** Host Compliance offers the following fines and fees schedule for cities to consider:

### Example Fine Schedule

	1 <sup>st</sup> violation	2 <sup>nd</sup> violation	3 <sup>rd</sup> violation	4 <sup>th</sup> violation
Fine for advertising a property for short-term rent (online or offline) without first having obtained a permit or complying with local listing requirements	\$200 per day	\$400 per day	\$650 per day	Upon the fourth or subsequent violation in any twenty-four month period, the local government may suspend or revoke any permit. The suspension or revocation can be appealed.
Fine for violating any other requirements of the local government’s short-term rental regulation	\$250 per day	\$500 per day	\$750 per day	
<b>Notes:</b>				
<p>a. Any person found to be in violation of this regulation in a civil case brought by a law enforcement agency shall be ordered to reimburse the local government and other participating law enforcement agencies their full investigative costs, pay all back-owed taxes, and remit all illegally obtained short-term rental revenue proceeds to the local government.</p> <p>b. Any unpaid fine will be subject to interest from the date on which the fine became due and payable to the local government until the date of payment.</p> <p>c. The remedies provided for in this fine schedule are in addition to, and not in lieu of, all other legal remedies, criminal or civil, which may be pursued by the local government to address any violation or other public nuisance.</p>				

Source: Host Compliance



## **CITY SPOTLIGHT: LAKE PLACID, NY**

The Village of Lake Placid collaborated with its justice court to define a short-term rental fine structure based on other successful cases. Lake Placid’s short-term rental fines range from \$350 to \$1,000 for the first violation plus the costs that the village has incurred for enforcement (e.g., staff time and attorney fees). Each week that the violation is not remedied constitutes a separate offense. The second violation that occurs within five years will incur a fine of between \$1,000 and \$3,000. Short-term rental violations can be appealed within 30 days to the joint Town of North Elba/ Village of Lake Placid Short-Term Rental Appeals Board by either the short-term rental property owner or the complainant.<sup>13</sup> In most cases, hosts do not intentionally violate regulations, and disputes are often settled without the host incurring a fine.

## ESTABLISH A CLEAR TAXING MODEL

Be mindful that there are multiple ways to capture revenue. In most cases, the owner/host is responsible for remitting taxes back to the city; however, several cities are trying to move the collection burden from hosts to the platforms. According to NLC's analysis, 82 percent of surveyed cities require the host to remit taxes directly to the city, while just 5 percent require the platform to collect and remit taxes on their behalf.

Cities like Annapolis, MD, and Charleston, SC, require platforms to remit taxes back to the city on behalf of hosts, automatically collecting tax revenue from a booking when it is made. While it may be easier for cities to require platforms to remit taxes, beware that there is some ongoing controversy around whether cities get back all the taxes they are owed. Several cities in South Carolina, including Charleston, are suing platforms, alleging that they are not remitting full taxes.<sup>14</sup>

In addition to the transient occupancy tax, some city councils may add an additional tax or surcharge on short-term rentals. For example, Chicago, IL, passed a 4 percent surcharge in 2016 and another 2 percent surcharge in 2018.<sup>15</sup> The surcharge funds supportive homelessness services and enforcement of the ordinance.<sup>16</sup>

# 82%

of cities require the host to remit taxes directly to the city, while 5 percent require the platform to collect and remit taxes of hosts behalf.



### KEY CONSIDERATION

Be mindful of how difficult it may be for hosts to remit taxes to the city. If a host has to remit taxes directly, consider how to make that process as simple and streamlined as possible. This not only makes it easier for hosts but ensures that the city is capturing more of the tax revenue it is owed. Include clear and concise instructions on how to remit taxes on the city's webpage and a user-friendly platform to make payments. Consider sending notifications to all short-term rental hosts about upcoming tax payments.

## NEGOTIATE AN AGREEMENT WITH PLATFORMS

Cities have had varying success in building helpful agreements with platforms. Cities have a lot to gain by partnering with platforms; however, the relationship-building process can be contentious at times. These relationships are more likely to be positive when cities come to the discussion table with a clear goal in mind and communicate it with platforms. Cities may have the opportunity to negotiate agreements with platforms, such as voluntary collection agreements (VCAs) or memorandums of understanding (MOUs).

### Voluntary Collection Agreements

A Voluntary Collection Agreement (VCA) typically involves a short-term rental platform agreeing to collect and remit transient occupancy taxes on behalf of its hosts. Agreements generally allow local governments to audit the platform, rather than the operator, but do not allow local governments to access information that could identify operators outside of the terms of the agreement.

Many short-term rental platforms have agreements with local governments. As of March 2019, Airbnb had more than 350 VCAs with state and local governments in the U.S.<sup>17</sup> While VCAs allows local governments to receive a steady stream of transient occupancy taxes, officials in several states have expressed concerns that these agreements allow platforms to remit less to governments than they owe, a problem compounded by VCA provisions that hinder tax authorities' ability to audit platforms.<sup>18</sup> See *the Appendix for more information on VCAs*.

### **Voluntary Collection Agreement (VCA):**

A VCA typically involves a short-term rental platform agreeing to collect and remit transient occupancy taxes on behalf of its hosts.

## Memorandum of Understanding

A memorandum of understanding (MOU) typically focuses on issues such as disclosing data, posting property registration numbers and removing illegal listings. Be aware that an MOU can include provisions that limit cities' enforcement power or create additional duties for cities. For example, in its draft MOU with the City of Denver, Airbnb included provisions that would have made the MOU confidential and require the city to resort to arbitration to resolve disputes. Together, these provisions would have limited transparency and hampered the city's ability to use the courts for its enforcement actions. Denver rejected the draft.<sup>19</sup>

MOUs may create additional duties for cities, such as when an MOU requires a platform to take down listings for unregistered properties but places the burden on cities to inform the platform about suspicious properties — a resource-intensive task. Cities may attempt to shift some of these burdens onto the platform. In one settlement with New York City, Airbnb agreed to automatically provide information for certain listings that met specific criteria.<sup>20</sup> In the City of Portland, OR's MOU with Airbnb, the two parties share duties: Airbnb is responsible for regularly reporting data about hosts and properties, and Portland is responsible for using the information it receives to verify that hosts have properly registered.<sup>21</sup>

### Memorandum of Understanding

**(MOU):** A MOU typically focuses on issues such as disclosing data, posting property registration numbers and removing illegal listings.



### KEY CONSIDERATION

Approach negotiated agreements well informed and with a clear policy goal in mind. Because VCAs and MOUs tend to be offered with standard language and provisions that benefit platforms and hinder city oversight efforts, cities should be prepared to analyze the agreements and decide whether and how to negotiate more favorable conditions.

## ENFORCEMENT

The purpose of regulations should not just be to capture additional revenue but to minimize and mitigate the negative side effects associated with the uncontrolled growth of short-term rentals. Cities need to move away from reactive to proactive enforcement when possible. Effective enforcement is key to an ordinance's success. Without regulations that clearly define what a short-term rental is, a database of units being operated, and contact information for those units, cities are effectively rendered helpless in enforcing their regulations.

### DEDICATE RESOURCES TO ENFORCEMENT

**Dedicated resources, time, staff and money are necessary for successful enforcement.** Short-term rental regulation enforcement can be revenue neutral or positive for municipalities when license, permit and tax revenue offsets costs.<sup>22</sup> In some cases, cities can also leverage existing resources such as 311 service to take in short-term rental complaints.

Some examples of key enforcement components that require dedicated resources include:

- ◆ Hiring additional code enforcement officers to identify and flag repeat offenders
- ◆ Hiring a third-party platform to help with data collection and enforcement
- ◆ Hiring a web developer to create a “one-stop-shop” website for STR hosts and residents
- ◆ Hiring additional staff to set up and service a complaint hotline
- ◆ Instituting (re)inspections for violating properties



## **CITY SPOTLIGHT: COLUMBUS, OH**

The most recent ordinance amendment in the City of Columbus allows the licensing department to deny, revoke or suspend a permit if there are three or more emergency calls made on a specific property in the previous 12 months (i.e., “three-call rule”). To help facilitate this system, the city’s technology department created an internal database that connects the 311 service with the city’s computer-aided dispatch software to allow enforcement to search the address on the map and know what type of emergency service was requested. City staff reference this database when an application is made or when a complaint about a property is filed. This allows the city to identify properties that have violated the ordinance or have passed the “three-call rule.”

## ENSURE EXTENSIVE COMMUNICATION AND MARKETING

Transparent and clear communication and marketing are critical to the success of an ordinance. Clear communication will support the ordinance's success (e.g., hosts, guests and residents know what the rules and regulations are) and is key to preventing community backlash when an ordinance is established or revisited.

Consistent contact with landlord associations and property owner groups allows the city to convey to hosts how to remain in compliance. This may be an opportunity to develop relationships with trusted voices in key groups who can serve as a liaison with the broader community and as a spokesperson for good hosting etiquette.

Regular contact with residents means that cities can convey the best way to file nuisance and safety complaints should there be a violation at a short-term rental. This helps communities feel like they have a trusted partner in the city to ensure community safety.



### KEY CONSIDERATION

Consider hiring or assigning specific city staff to be liaisons with the community. Doing so may help establish trust among hosts, residents and the city, making room for more constructive conversations should something go awry. In addition, developing relationships with specific community members (e.g., hosts or residents) can help broaden the city's reach into the community. For example, hosts who have good relationships with the city can promote good hosting etiquette in the community.

## **MOVE REGISTRATION AND ADMINISTRATION SYSTEMS ONLINE**

To the extent possible, cities should limit the administrative burden on city staff and platform users. Moving registration or licensing systems online (while keeping the paper application option open) makes the process more seamless for hosts and less cumbersome for city staff who process those applications.

Beyond moving the registration or licensing system online, consider launching a centralized, accessible and easy-to-use webpage with all relevant short-term rental information. One common complaint that cities receive is that short-term rental regulations are difficult to understand. In most cases, it is not that the regulations themselves are too complex, but that regulations are not transparent and explained in an accessible way. Launching a webpage that is regularly updated keeps the community informed. According to a recent 2022 report and survey from Rent Responsibly and the College of Charleston, 49 percent of surveyed short-term rental hosts got information from government websites about local regulations that affect short-term rentals.<sup>23</sup> Furthermore, this webpage can serve as a resource for city staff who are not experts on short-term rentals but may be required to liaise with the public about them.





## CITY SPOTLIGHT: HENDERSON, NV

The City of Henderson set up an easily navigable webpage with information on short-term rentals, including application materials and answers to frequently asked questions.<sup>24</sup> This webpage serves as a “one-stop-shop” for hosts, residents and staff. The short-term rental webpage has the second-highest number of hits on the Henderson website.

### **On the webpage hosts can:**

- ◆ Find the most up-to-date short-term rental ordinance and state laws that apply to short-term rentals
- ◆ Register their short-term rental
  - Find city contact information to support them through the registration process
  - Find clear lists on how to apply and what documents are needed
  - Find application forms that are easy to download or file online
- ◆ Renew their short-term rental registration
- ◆ Pay their transient lodging tax and fees
  - Find tax forms that are easy to download

### **On the webpage residents can:**

- ◆ Find relevant short-term rental regulations, including the city ordinance and state laws that apply to short-term rentals
- ◆ Locate the complaint phone hotline to report any illegal short-term rental or to file noise, trash, parking, occupancy or other nuisance complaints
- ◆ Access the complaint website to submit a complaint online

## REVISIT AND ADAPT

The short-term rental market is consistently in flux, meaning regulations may have to change to meet the market and evolving community needs. Regularly revisit your ordinance to ensure that it still has the right balance of competing expectations and alignment with city goals.

## ESTABLISH A FEEDBACK LOOP

Particularly when first passing an ordinance, be intentional about setting metrics of success that align with policy goals. These qualitative and quantitative policy goal-aligned metrics will determine how performance is evaluated. Setting a dedicated evaluation period following the passage of a short-term rental ordinance will allow for better evaluation and help generate ideas of how to improve an ordinance. Make sure the public and the hosts understand that the regulation may change at the end of the evaluation period.

Build in a recurring check-in with relevant stakeholders to determine whether the short-term rental ordinance is meeting the city's originally stated goal, and if not, what needs to be adjusted. This is where the feedback loop is particularly important. Keep an open line of communication with relevant stakeholders (e.g., landlord associations, property owners, residents, housing advocates, community groups, hotels, tourism agencies, etc.) to better understand how the implementation of the ordinance is playing out.

In Fayetteville, AR, the city authorizes a 20-month sunset clause in its ordinance, allowing city leaders to conduct regular review and reauthorization of the ordinance.<sup>25</sup> Some adjustments have been made following these regular review periods, including increasing the occupancy tax rate to better fund the cost of enforcement, adjusting the cap on the number of short-term rentals allowed in the community and requiring a unit inspection.



### KEY CONSIDERATION

If there is a recurring evaluation period for the ordinance, tell the community early on. Transparency is key to making sure hosts and residents know that regulations may change in the future. This may limit the potential backlash of changing regulations after passing them.



# Conclusion

**S**HORT-TERM RENTALS ARE here to stay and, when regulated with care and the proper safeguards in place, can be integrated into the fabric of a community. STRs can enhance tourism, stimulate economic growth in targeted neighborhoods and give residents a way to supplement their income, but can also exacerbate racial inequity, put pressures on affordable housing and disrupt neighborhoods. With proper regulation, cities can enjoy the benefits of STRs and limit their negative impacts.

**Regulating short-term rentals is not about limiting their potential, but about enacting the appropriate mechanisms to keep competing priorities and interests balanced.** As cities consider regulations to address short-term rentals in their communities, it is important that they act promptly, remain focused on a clear policy objective, consider racial equity, actively engage with relevant stakeholders, develop and enforce clear regulations, and provide continuous review of ordinances. The resources found in this Action Guide can help our communities find the proper balance to effectively support and regulate this growing industry.

# Appendix

## Voluntary Collection Agreements (VCAs)

	COMMON PROVISIONS	THINGS TO WATCH OUT FOR
<b>COLLECTION AND REMITTANCE</b>	Platforms agree to collect transient occupancy taxes from guests and remit the amount collected to the government taxing authority.	Without this provision, the platform may refuse to collect the tax, arguing that hosts are responsible for collection. Even with the provision, some platforms have been accused of under delivering taxes remitted to cities.
<b>REPORTING AGGREGATE INFORMATION</b>	<p>The platform agrees “reasonably to report aggregate information” related to its collection and remittance of transient occupancy taxes to the tax authority.</p> <p>Aggregate information includes the total amounts of receipts, exemptions, adjustments and so forth, but does <i>not</i> include individualized information for specific properties.</p>	Aggregate information does not allow cities to gather individualized information on particular properties.
<b>DETERMINING LIABILITY FOR TAXES</b>	The platform agrees to be held legally responsible for failure to report, collect or remit the transient occupancy taxes, and the tax authority agrees not to hold individual hosts responsible for reporting, collecting or remitting taxes on their property.	
<b>WAVIER OF LOOK-BACK</b>	The tax authority agrees not to pursue any actions to recover unpaid taxes that had been due before the date the agreement went into effect.	If the city has not yet received payments from a large proportion of STRs, then waiving all claims on taxes owed before the VCA's implementation will result in the city potentially forfeiting a significant amount of tax revenue. On the other hand, a city may not have the capacity to go after back taxes, and be mostly concerned with collection of future taxes, making waiver of past tax liability a lower priority.
<b>NOTIFICATION TO HOSTS AND RENTERS</b>	The platform agrees to notify hosts and renters that it will be collecting and remitting transient occupancy taxes for their transactions.	

	COMMON PROVISIONS	THINGS TO WATCH OUT FOR
<b>AUDITING</b>	<p>The tax authority agrees to audit the platform on the basis of its tax returns and supporting documentation, rather than on audits of individual renters or hosts. Some VCAs also state that the tax authority cannot audit individual renters or hosts until it has finished auditing the platform and a tax issue remains unresolved.</p> <p>All transaction and tax data reviewed by a city tax authority must be anonymized. If the city suspects wrongdoing on the part of a specific host, it must first audit the anonymous data, then pick out suspicious transactions, and then finally obtain a subpoena to get identifiable data from the platform.</p> <p>The tax authority agrees to limit the number of times it will audit the platform (e.g., to only audit the platform once every two years, and to only audit transactions conducted over a 12-month stretch.)</p>	<p>This may limit the tax authority’s access to data and ability to audit individual hosts and affect city efforts to enforce home-sharing laws. Cities such as Culver City, CA, have negotiated alternative provisions ensuring that they can continue to audit individual hosts if they receive information about the property’s violations from another source.<sup>26</sup></p> <p>Anonymized data may mean that cities can only use <i>aggregate</i> information, which prevents cities from investigating individual cases of violation. For example, Snowmass, CO, states that it will audit “on an anonymous numbered account basis,” suggesting that disaggregation is not required.<sup>27</sup> Cities can also suggest alternative kinds of privacy protection that allow for individualized reports, such as pseudonymizing information.</p> <p>VCAs typically provide that all information about hosts and guests will remain <i>anonymous</i> unless the city has completed an audit of the platform and served the platform with a subpoena or similar legal process. Cities may want to negotiate changes to this provision to allow them to ensure that properties are registered. For example, if cities have already passed ordinances requiring registration, their audits might request information about the registration number.</p> <p>Cities can negotiate limits on audit frequency to allow for more frequent and tailored enforcement efforts. For instance, the audit frequency in Pacific Grove, CA, is once every 36 months; although this period may still be too long for many cities to effectively audit home-sharing, it does indicate that VCAs’ time provisions can vary.<sup>28</sup></p>

# Endnotes

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1 **CITY OF HOMER**  
2 **HOMER, ALASKA**

Aderhold/Davis

3  
4 **ORDINANCE 23-61**

5  
6 AN ORDINANCE OF THE CITY COUNCIL OF HOMER, ALASKA  
7 AMENDING HOMER CITY CODE TITLE 5 TO ADD CHAPTER 5.48  
8 SHORT TERM RENTALS.  
9

10 WHEREAS, The Council and the public are very concerned with the impacts of housing  
11 availability on seasonal workers and year-round community members; and  
12

13 WHEREAS, Short term rentals have been identified as one of many challenges facing  
14 housing availability in the City; and  
15

16 WHEREAS, The use of private residences has been a very common source of income for  
17 property owners in the City which also supports our visitor-serving businesses; and  
18

19 WHEREAS, Visitors staying in short term rental have many positive impacts, however,  
20 they also consume City services in ways that are difficult to recoup financially when short term  
21 rental owners fail to collect existing sales taxes; and  
22

23 WHEREAS, The City has no existing regulations for short term rentals; and  
24

25 WHEREAS, There is an interest to enact reasonable regulations related to short term  
26 rentals to ensure that they are operated safely, not creating public nuisances, and are  
27 remitting the appropriate taxes; and  
28

29 WHEREAS, The Council intends for this to be an iterative process whereby the short  
30 term rental regulations will be adjusted over time to best fit the needs of the community and  
31 short term rental operators.  
32

33 NOW, THEREFORE, THE CITY OF HOMER ORDAINS:  
34

35 Section 1. Homer City Code is amended to include Chapter 5.48, entitled “Short Term  
36 Rentals”, to read as follows:  
37

38 **Chapter 5.48 Short Term Rentals**

39  
40 **Sections:**

41  
42 **5.48.010 Definitions**

43 **5.48.020 Intent**

44 **5.48.030 Short Term Rental Permits**

45 **5.48.040 Permit Renewals**

46 **5.48.050 Nonconforming Uses**

47 **5.48.060 Public Safety, Noise, and Nuisances**

48 **5.48.070 Violations and Penalties**

49 **5.48.080 Appeal of Decision**

50

51 **5.48.010 Definitions**

52

53 **“Short-term rental” means a dwelling unit, or portion thereof, that is offered or provided**  
54 **to a guest for compensation for a period of less than 30 consecutive days. Short-term**  
55 **rentals may be in individual rooms in single-family homes, units in apartments,**  
56 **condominiums, townhouses, and multifamily dwellings.**

57

58 **“Guest” means an individual, corporation, partnership or association paying monetary**  
59 **or other consideration for the use of a short-term rental.**

60

61 **“Operator” means a person, firm, corporation, or other designated legal entity, who**  
62 **offers for rent or otherwise makes available in the City dwelling units for monetary or**  
63 **other consideration.**

64

65 **“Property” means real estate offered by an operator as a short term rental.**

66

67 **5.48.020 Intent**

68

69 **The intent of this chapter is to protect general health and safety of the public within the**  
70 **City of Homer while ensuring short term rentals are operated in such a way that they pay**  
71 **any applicable fees or taxes and do not create a public nuisance which decreases quality**  
72 **of life for neighboring residences.**

73

74 **5.48.030 Short Term Rental Permits**

75

76 **a. Any owner wishing to make a dwelling unit available for use as a short term rental**  
77 **must apply for and receive approval of a short term rental permit for each**  
78 **intended unit.**

79

80 **b. An annual short term rental permit application shall be submitted on a specified**  
81 **form or platform provided by the City before offering a dwelling unit for rent. The**  
82 **application shall include a fee as set by the City Council in the City’s fee schedule.**

83

84 **c. No short term rental operator shall offer, advertise, or facilitate the short term**  
85 **rental of property in the City unless the operator possesses a valid short term**

86 **rental permit. Any offer or advertisement for the short term rental of property in**  
87 **the City that does not contain a valid short term rental permit number, or which**  
88 **the City identifies as illegal, shall be immediately removed.**

89  
90 **d. Required Information and Documentation: Applications shall provide:**

- 91
- 92 **1. Name, address, phone number, and email of the property owner, and, if**  
93 **different from the owner, the short term rental operator.**
  - 94
  - 95 **2. A general description of the dwelling unit to be used as a short term rental**  
96 **to include address, zone district, number of bedrooms, and available**  
97 **parking spaces compliant with City code.**
  - 98
  - 99 **3. A 24-hour emergency contact residing within 50 miles of city limits.**
  - 100
  - 101 **4. State business license number.**
  - 102
  - 103 **5. Certification by the Kenai Peninsula Borough Finance Department in a tax**  
104 **compliance certificate that the applicant is current in the payment of any**  
105 **sales tax to the City and the Kenai Peninsula Borough.**
  - 106
  - 107 **6. Completed fire safety inspection form for the dwelling unit.**

108

109 **e. Permit Number: Short term rental permits will be issued a unique permit number**  
110 **which must be displayed in all advertisements and public listings for the short**  
111 **term rental.**

112

113 **f. Permit Renewal: Short term rental permits must be renewed annually and are**  
114 **valid from January 1 to December 31.**

115

116 **g. Transfer of Permits: Annual short term rental permits are transferrable between**  
117 **owners with City Manager or designee approval, provided the use and operations**  
118 **remain consistent. Permits are not transferrable between units or parcels.**

119

120 **5.48.040 Permit Renewals**

121

122 **a. Short term rental permits may be renewed starting November 1 each year using**  
123 **the form or platform provided by city, and shall include a fee as set by Council in**  
124 **City Fee Schedule.**

127       **b. Permits are eligible for renewal if the property and dwelling unit comply with all**  
128       **applicable City regulations, taxes, fees are paid, and there are no outstanding**  
129       **public safety or public nuisance violations.**

130  
131       **c. Expired permits require a new application to resume short term rental use.**

132  
133       **5.48.050 Nonconforming Uses**

134  
135       **a. Existing short term rentals with proof of operation and sales tax remittance to the**  
136       **Kenai Peninsula Borough within the period between January 1, 2020 and**  
137       **December 31 2023 will be exempted as non-conforming uses if they meet all other**  
138       **short term rental standards, even if they are located in zones no longer principally**  
139       **permitting such use.**

140  
141       **b. Non-conforming short term rentals not used for 18 months or not permitted by**  
142       **[DATE] will cease to be available on the property.**

143  
144       **c. Approvals of non-conforming short term rental permits are transferrable to new**  
145       **property owners upon request, provided updates are made to the information on**  
146       **file with the City.**

147  
148       **5.48.060 Public Safety, Noise, and Nuisances**

149  
150       **a. Capacity: Maximum occupancy for a vacation rental is two persons per bedroom**  
151       **plus an additional two persons (e.g., a two-bedroom unit may have six occupants).**  
152       **Children aged 12 and under are not counted toward the occupancy total.**

153  
154       **b. Emergency Contact: The Emergency Contact provided on the permit application**  
155       **will be shared with the Homer Police Department and all neighboring properties**  
156       **within 300 feet of the parcel containing the permitted short term rental unit(s).**  
157       **The permit holder must promptly notify the City of any changes to the designated**  
158       **emergency contact information.**

159  
160       **c. Fire Department Access: Properties with gated entries must have a Fire**  
161       **Department approved device that allows emergency response access.**

162  
163       **d. Noise: Short term rentals are subject to HCC 21.59.010 (b) regarding noise.**

164  
165       **e. Nuisance: Any property with an unresolved nuisance complaint under HCC**  
166       **Chapter 5.16 is ineligible for short term rental permit approval or renewal.**

167  
168       **f. Parking: Short term rentals must have sufficient off-street parking, validated by**  
169       **the City planner or designee.**

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**5.48.070 Violations and Penalties**

- a. **Operating a short term rental without a permit, or in violation of this chapter, is unlawful.**
  
- b. **The City Manager, or designee, may revoke a permit for a short term rental upon finding one or more of the following:**
  - 1. **Negligence in responding to emergencies more than two times in a rolling 12-month period.**
  
  - 2. **More than two documented law enforcement violations related to the short term rental in a rolling 12-month period.**
  
  - 3. **Chronic non-compliance with the requirements this chapter’s requirements.**
  
  - 4. **Failure to pay required sales taxes to the Kenai Peninsula Borough.**
  
  - 5. **Failure to correct noted Building or Fire code violations.**
  
  - 6. **Documented, significant violations supported by citations, written warning, or other documentation from relevant authorities.**
  
- c. **The penalty for an offense in this chapter is the fine listed in the fine schedule in HCC 1.16.040. If no fine is listed for the offense in HCC 1.16.040, then the defendant must appear in court, and, if convicted, is subject to the general penalty as provided in HCC 1.16.010 unless another penalty is specifically provided.**

**5.48.080 Appeal of Decision**

**Judicial review by the superior court of a final decision on a short term rental permit issued by the City may be had by filing a notice of appeal in accordance with the applicable rules of court governing appeals in civil matters. The notice of appeal shall be filed within 30 days of notice of the final decision on the permit. Appeals of short term rental permits are heard solely on the administrative record which shall be prepared by the City. A copy shall be filed in the superior court within 30 days after the appellant pays the estimated cost of preparing the complete of designated record or files a corporate surety bond equal to the estimated cost.**

Section 2. Homer City Code 1.16.040, entitled “Disposition of scheduled offenses – Fine Schedule” is hereby amended as follows:

213

Chapter 5.46 HCC	Special event – Permit required	\$1000
<b>Chapter 5.48 HCC</b>	<b>Short term rental – Permit required</b>	<b>\$100 per day</b>
HCC 8.08.020	Itinerant or transient merchant – License required	\$300.00

214

215           Section 3. This Ordinance is of a permanent and general character and shall be  
216 included in the City Code.

217

218           ENACTED BY THE CITY COUNCIL OF HOMER, ALASKA this \_\_\_\_ day of \_\_\_\_\_, 2018.

219

CITY OF HOMER

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\_\_\_\_\_  
KEN CASTNER, MAYOR

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228 ATTEST:

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230

\_\_\_\_\_  
MELISSA JACOBSEN, MMC, CITY CLERK

231

232

233

234 YES:

235 NO:

236 ABSTAIN:

237 ABSENT:

238

239 First Reading:

240 Public Hearing:

241 Second Reading:

242 Effective Date:

CITY OF HOMER  
HOMER, ALASKA

Aderhold/Davis

ORDINANCE 23-61(S)

AN ORDINANCE OF THE CITY COUNCIL OF HOMER, ALASKA  
AMENDING HOMER CITY CODE TITLE 5 8 TO ADD CHAPTER 5.48  
8.05 SHORT TERM RENTALS.

~~WHEREAS, The Council and the public are very concerned with the impacts of housing availability on seasonal workers and year-round community members; and~~

~~WHEREAS, Short term rentals have been identified as one of many challenges facing housing availability in the City; and~~

~~WHEREAS, The use of private residences has been a very common source of income for property owners in the City which also supports our visitor serving businesses; and~~

~~WHEREAS, Visitors staying in short term rental have many positive impacts, however, they also consume City services in ways that are difficult to recoup financially when short term rental owners fail to collect existing sales taxes; and~~

~~WHEREAS, The City has no existing regulations for short term rentals; and~~

~~WHEREAS, There is an interest to enact reasonable regulations related to short term rentals to ensure that they are operated safely, not creating public nuisances, and are remitting the appropriate taxes; and~~

~~WHEREAS, The Council intends for this to be an iterative process whereby the short term rental regulations will be adjusted over time to best fit the needs of the community and short term rental operators.~~

**WHEREAS, The use of private residences as short term rentals for visitors to Homer has been a very common source of income for property owners in the City, and has provided an important support for our local economy and our visitor-serving businesses; and**

**WHEREAS, Visitors staying in short term rentals have many positive impacts, in some cases enabling homeowners who might otherwise be priced out of the local housing market to afford to live in Homer; and**

42 **WHEREAS, There are anecdotal reports of a shortage of year round, and especially**  
43 **summer, housing in Homer, with tenants reporting that it is easy to rent a house or**  
44 **apartment in September, as long as they agree to move out May 1; and**

45  
46 **WHEREAS, May-August is the period when our small businesses report that their**  
47 **need for workforce housing is the greatest; and**

48  
49 **WHEREAS, The City, even as it welcomes the contributions that existing short term**  
50 **rentals are making, is interested in exploring the possibility of limits to future growth in**  
51 **this sector, for example, by discouraging the operation of multiple short term rental**  
52 **properties by out-of-town owners; and**

53  
54 **WHEREAS, A necessary first step in considering possible limits to future growth in**  
55 **this sector is obtaining a clear understanding of its present scope; and**

56  
57 **WHEREAS, In contrast to other local small businesses, details about the location**  
58 **and ownership of short term rentals are not readily available; and**

59  
60 **WHEREAS, The Kenai Peninsula Borough’s ongoing effort to identify the number**  
61 **and location of current short term rentals has so far identified only a small fraction of the**  
62 **estimated total; and**

63  
64 **WHEREAS, There is an interest to enact reasonable regulations related to short**  
65 **term rentals to ensure that they are operated safely, not creating public nuisances, and**  
66 **are remitting the appropriate taxes.**

67  
68 NOW, THEREFORE, THE CITY OF HOMER ORDAINS:

69  
70 Section 1. Homer City Code is amended to include Chapter, 5.48 **8.05** entitled “Short  
71 Term Rentals”, to read as follows:

72  
73 **Chapter 5.48 Short Term Rentals**

74  
75 **Sections:**

76  
77 **5.48.010 Definitions**

78 **5.48.020 Intent**

79 **5.48.030 Short Term Rental Permits**

80 **5.48.040 Permit Renewals**

81 **5.48.050 Nonconforming Uses**

82 **5.48.060 Public Safety, Noise, and Nuisances**

83 **5.48.070 Violations and Penalties**

84 **5.48.080 Appeal of Decision**

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**5.48.010 Definitions**

~~“Short term rental” means a dwelling unit, or portion thereof, that is offered or provided to a guest for compensation for a period of less than 30 consecutive days. Short term rentals may be in individual rooms in single family homes, units in apartments, condominiums, townhouses, and multifamily dwellings.~~

~~“Guest” means an individual, corporation, partnership or association paying monetary or other consideration for the use of a short term rental.~~

~~“Operator” means a person, firm, corporation, or other designated legal entity, who offers for rent or otherwise makes available in the City dwelling units for monetary or other consideration.~~

~~“Property” means real estate offered by an operator as a short term rental.~~

**5.48.020 Intent**

~~The intent of this chapter is to protect general health and safety of the public within the City of Homer while ensuring short term rentals are operated in such a way that they pay any applicable fees or taxes and do not create a public nuisance which decreases quality of life for neighboring residences.~~

**5.48.030 Short Term Rental Permits**

- ~~a. Any owner wishing to make a dwelling unit available for use as a short term rental must apply for and receive approval of a short term rental permit for each intended unit.~~
- ~~b. An annual short term rental permit application shall be submitted on a specified form or platform provided by the City before offering a dwelling unit for rent. The application shall include a fee as set by the City Council in the City’s fee schedule.~~
- ~~c. No short term rental operator shall offer, advertise, or facilitate the short term rental of property in the City unless the operator possesses a valid short term rental permit. Any offer or advertisement for the short term rental of property in the City that does not contain a valid short term rental permit number, or which the City identifies as illegal, shall be immediately removed.~~
- ~~d. Required Information and Documentation: Applications shall provide:~~

- 127                    **1. Name, address, phone number, and email of the property owner, and, if**  
128                    **different from the owner, the short term rental operator.**  
129  
130                    **2. A general description of the dwelling unit to be used as a short term rental**  
131                    **to include address, zone district, number of bedrooms, and available**  
132                    **parking spaces compliant with City code.**  
133  
134                    **3. A 24-hour emergency contact residing within 50 miles of city limits.**  
135  
136                    **4. State business license number.**  
137  
138                    **5. Certification by the Kenai Peninsula Borough Finance Department in a tax**  
139                    **compliance certificate that the applicant is current in the payment of any**  
140                    **sales tax to the City and the Kenai Peninsula Borough.**  
141  
142                    **6. Completed fire safety inspection form for the dwelling unit.**  
143  
144                    **e. Permit Number: Short term rental permits will be issued a unique permit number**  
145                    **which must be displayed in all advertisements and public listings for the short**  
146                    **term rental.**  
147  
148                    **f. Permit Renewal: Short term rental permits must be renewed annually and are**  
149                    **valid from January 1 to December 31.**  
150  
151                    **g. Transfer of Permits: Annual short term rental permits are transferrable between**  
152                    **owners with City Manager or designee approval, provided the use and operations**  
153                    **remain consistent. Permits are not transferrable between units or parcels.**  
154

155 **5.48.040 Permit Renewals**

- 156  
157                    **a. Short term rental permits may be renewed starting November 1 each year using**  
158                    **the form or platform provided by city, and shall include a fee as set by Council in**  
159                    **City Fee Schedule.**  
160  
161  
162                    **b. Permits are eligible for renewal if the property and dwelling unit comply with all**  
163                    **applicable City regulations, taxes, fees are paid, and there are no outstanding**  
164                    **public safety or public nuisance violations.**  
165  
166                    **c. Expired permits require a new application to resume short term rental use.**  
167

168 **5.48.050 Nonconforming Uses**

169

- 170 ~~a. Existing short term rentals with proof of operation and sales tax remittance to the~~  
171 ~~Kenai Peninsula Borough within the period between January 1, 2020 and~~  
172 ~~December 31 2023 will be exempted as non-conforming uses if they meet all other~~  
173 ~~short term rental standards, even if they are located in zones no longer principally~~  
174 ~~permitting such use.~~  
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176 ~~b. Non-conforming short term rentals not used for 18 months or not permitted by~~  
177 ~~[DATE] will cease to be available on the property.~~  
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179 ~~c. Approvals of non-conforming short term rental permits are transferrable to new~~  
180 ~~property owners upon request, provided updates are made to the information on~~  
181 ~~file with the City.~~  
182

183 ~~5.48.060 Public Safety, Noise, and Nuisances~~

- 184  
185 ~~a. Capacity: Maximum occupancy for a vacation rental is two persons per bedroom~~  
186 ~~plus an additional two persons (e.g., a two-bedroom unit may have six occupants).~~  
187 ~~Children aged 12 and under are not counted toward the occupancy total.~~  
188  
189 ~~b. Emergency Contact: The Emergency Contact provided on the permit application~~  
190 ~~will be shared with the Homer Police Department and all neighboring properties~~  
191 ~~within 300 feet of the parcel containing the permitted short term rental unit(s).~~  
192 ~~The permit holder must promptly notify the City of any changes to the designated~~  
193 ~~emergency contact information.~~  
194  
195 ~~c. Fire Department Access: Properties with gated entries must have a Fire~~  
196 ~~Department approved device that allows emergency response access.~~  
197  
198 ~~d. Noise: Short term rentals are subject to HCC 21.59.010 (b) regarding noise.~~  
199  
200 ~~e. Nuisance: Any property with an unresolved nuisance complaint under HCC~~  
201 ~~Chapter 5.16 is ineligible for short term rental permit approval or renewal.~~  
202  
203 ~~f. Parking: Short term rentals must have sufficient off-street parking, validated by~~  
204 ~~the City planner or designee.~~  
205

206 ~~5.48.070 Violations and Penalties~~

- 207  
208 ~~a. Operating a short term rental without a permit, or in violation of this chapter, is~~  
209 ~~unlawful.~~  
210  
211 ~~b. The City Manager, or designee, may revoke a permit for a short term rental upon~~  
212 ~~finding one or more of the following:~~

- 213 **1. Negligence in responding to emergencies more than two times in a rolling**  
214 **12-month period.**  
215  
216 **2. More than two documented law enforcement violations related to the short**  
217 **term rental in a rolling 12-month period.**  
218  
219 **3. Chronic non-compliance with the requirements this chapter's**  
220 **requirements.**  
221  
222 **4. Failure to pay required sales taxes to the Kenai Peninsula Borough.**  
223  
224 **5. Failure to correct noted Building or Fire code violations.**  
225  
226 **6. Documented, significant violations supported by citations, written**  
227 **warning, or other documentation from relevant authorities.**  
228  
229 **c. The penalty for an offense in this chapter is the fine listed in the fine schedule in**  
230 **HCC 1.16.040. If no fine is listed for the offense in HCC 1.16.040, then the defendant**  
231 **must appear in court, and, if convicted, is subject to the general penalty as**  
232 **provided in HCC 1.16.010 unless another penalty is specifically provided.**  
233

#### **5.48.080 Appeal of Decision**

234  
235  
236 **Judicial review by the superior court of a final decision on a short term rental permit**  
237 **issued by the City may be had by filing a notice of appeal in accordance with the**  
238 **applicable rules of court governing appeals in civil matters. The notice of appeal shall be**  
239 **filed within 30 days of notice of the final decision on the permit. Appeals of short term**  
240 **rental permits are heard solely on the administrative record which shall be prepared by**  
241 **the City. A copy shall be filed in the superior court within 30 days after the appellant pays**  
242 **the estimated cost of preparing the complete of designated record or files a corporate**  
243 **surety bond equal to the estimated cost.**  
244  
245

#### **Chapter 8.09 Short Term Rentals**

##### **Sections:**

246  
247  
248  
249  
250 **8.09.010 Definitions**

251 **8.09.020 Intent**

252 **8.09.030 Short Term Rental Permits**

253 **8.09.040 Permit Renewals**

254 **8.09.060 Public Safety, Noise, and Nuisances**

255 **8.09.070 Violations and Penalties**

256 **8.09.080 Appeal of Decision**

257

258 **8.09.010 Definitions**

259

260 **“Short-term rental” means a dwelling unit as defined in HCC Title 21, or portion thereof,**  
261 **that is offered or provided to a guest for compensation for a period of less than 30**  
262 **consecutive days. Short-term rentals may be in standalone buildings, individual rooms in**  
263 **single-family homes, units in apartments, condominiums, townhouses, and multifamily**  
264 **dwellings. They may be operated as a bed and breakfast, rooming house, not to include**  
265 **commercial accommodations such as lodging, hotels and motels as defined in Title 21.**

266

267 **“Guest” means an individual, corporation, partnership or association paying monetary**  
268 **or other consideration for the use of a short-term rental.**

269

270 **“Operator” means a person, firm, corporation, or other designated legal entity, who**  
271 **offers for rent or otherwise makes available in the City dwelling units for monetary or**  
272 **other consideration.**

273

274 **“Property” means real estate offered by an operator as a short term rental.**

275

276 **8.09.020 Intent**

277

278 **The intent of this chapter is to protect general health and safety of the public within the**  
279 **City of Homer while ensuring short term rentals are operated in such a way that they pay**  
280 **any applicable fees or taxes and do not create a public nuisance which decreases quality**  
281 **of life for neighboring residences.**

282

283 **8.09.030 Short Term Rental Permits**

284

285 **h. Any owner wishing to make a dwelling unit available for use as a short term rental**  
286 **must apply for and receive approval of a short term rental permit for each parcel**  
287 **of land with an intended unit.**

288

289 **i. An annual short term rental permit application shall be submitted on a specified**  
290 **form or platform provided by the City before offering a dwelling unit for rent. The**  
291 **application shall include a fee as set by the City Council in the City’s fee schedule.**

292

293 **j. No short term rental operator shall offer, advertise, or facilitate the short term**  
294 **rental of property in the City unless the operator possesses a valid short term**  
295 **rental permit. Any offer or advertisement for the short term rental of property in**  
296 **the City that does not contain a valid short term rental permit number, or which**  
297 **the City identifies as illegal, shall be immediately removed.**

298

- 299 **k. Required Information and Documentation: Applications shall provide:**  
300  
301 **7. Name, address, phone number, and email of the property owner, and, if**  
302 **different from the owner, the short term rental operator.**  
303  
304 **8. A general description of the dwelling unit to be used as a short term rental**  
305 **to include address, zone district, number of bedrooms, and available**  
306 **parking spaces compliant with City code.**  
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308 **9. A 24-hour emergency contact residing within 50 miles of city limits.**  
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310 **10. State business license number.**  
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312 **11. Certification by the Kenai Peninsula Borough Finance Department in a tax**  
313 **compliance certificate that the applicant is current in the payment of any**  
314 **sales tax to the City and the Kenai Peninsula Borough.**  
315  
316 **12. Completed fire safety inspection form for the dwelling unit.**  
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318 **l. Permit Number: Short term rental permits will be issued a unique permit number**  
319 **which must be displayed in all advertisements and public listings for the short**  
320 **term rental.**  
321  
322 **m. Permit Renewal: Short term rental permits must be renewed every two years and**  
323 **are valid from January 1 to December 31.**  
324  
325 **n. Transfer of Permits: short term rental permits are transferrable between owners**  
326 **with City Manager or designee approval, provided the use and operations remain**  
327 **consistent. Permits are not transferrable between units or parcels.**  
328

329 **8.09.040 Permit Renewals**  
330

- 331 **d. Short term rental permits may be renewed starting November 1 each year using**  
332 **the form or platform provided by city, and shall include a fee as set by Council in**  
333 **City Fee Schedule.**  
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336 **e. Permits are eligible for renewal if the property and dwelling unit comply with all**  
337 **applicable City regulations, taxes, fees are paid, and there are no outstanding**  
338 **public safety or public nuisance violations.**  
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340 **f. Expired permits require a new application to resume short term rental use.**  
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**8.09.060 Public Safety, Noise, and Nuisances**

- g. Capacity: Maximum occupancy for a short term rental is five guest rooms or 15 guests, whichever is less.**
- h. Emergency Contact: The Emergency Contact provided on the permit application will be shared with the Homer Police Department. The permit holder must promptly notify the City of any changes to the designated emergency contact information.**
- i. Fire Department Access: Properties with gated entries must have a Fire Department approved device that allows emergency response access.**
- j. Noise: Short term rentals are subject to HCC 21.59.010 (b) regarding noise.**
- k. Nuisance: Any property with an unresolved nuisance complaint under HCC Chapter 8.09 is ineligible for short term rental permit approval or renewal.**
- l. Parking: Short term rentals must have sufficient off-street parking, validated by the City planner or designee.**

**8.09.070 Violations and Penalties**

- d. Operating a short term rental without a permit, or in violation of this chapter, is unlawful.**
- e. The City Manager, or designee, may revoke a permit for a short term rental upon finding one or more of the following:**
  - 7. Negligence in responding to emergencies more than two times in a rolling 12-month period.**
  - 8. More than two documented law enforcement violations related to the short term rental in a rolling 12-month period.**
  - 9. Chronic non-compliance with the requirements this chapter's requirements.**
  - 10. Failure to pay required sales taxes to the Kenai Peninsula Borough.**
  - 11. Failure to correct noted Building or Fire code violations.**

384 **12. Documented, significant violations supported by citations, written**  
385 **warning, or other documentation from relevant authorities.**

386  
387 **The penalty for an offense in this chapter is the fine listed in the fine schedule in HCC**  
388 **1.16.040.**

389  
390 **8.09.080 Appeal of Decision**

391  
392 **Judicial review by the superior court of a final decision on a short term rental permit**  
393 **issued by the City may be had by filing a notice of appeal in accordance with the**  
394 **applicable rules of court governing appeals in civil matters. The notice of appeal shall be**  
395 **filed within 30 days of notice of the final decision on the permit. Appeals of short term**  
396 **rental permits are heard solely on the administrative record which shall be prepared by**  
397 **the City. A copy shall be filed in the superior court within 30 days after the appellant pays**  
398 **the estimated cost of preparing the complete of designated record or files a corporate**  
399 **surety bond equal to the estimated cost.**

400  
401 Section 2. Homer City Code 1.16.040, entitled “Disposition of scheduled offenses – Fine  
402 Schedule” is hereby amended as follows:  
403

Chapter 5.46 HCC	Special event – Permit required	\$1000
<b><u>Chapter 5.48 8.09 HCC</u></b>	<b><u>Short term rental – Permit required</u></b>	<b><u>\$300</u></b>
HCC 8.08.020	Itinerant or transient merchant – License required	\$300.00

404  
405 Section 3. ~~This Ordinance is of a permanent and general character and shall be~~  
406 ~~included in the City Code.~~ **This ordinance shall take effect January 1, 2025.**

407  
408 **Section 4. This Ordinance is of a permanent and general character and shall be**  
409 **included in the City Code.**

410  
411 ENACTED BY THE CITY COUNCIL OF HOMER, ALASKA this \_\_\_\_ day of \_\_\_\_\_, 2024.

412  
413 CITY OF HOMER

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416 \_\_\_\_\_  
417 KEN CASTNER, MAYOR  
418  
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421

422 ATTEST:  
423  
424 \_\_\_\_\_  
425 MELISSA JACOBSEN, MMC, CITY CLERK  
426  
427  
428 YES:  
429 NO:  
430 ABSTAIN:  
431 ABSENT:  
432  
433 First Reading:  
434 Public Hearing:  
435 Second Reading:  
436 Effective Date:



# AGENDA ITEM REPORT

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## Itinerant Merchants

**Item Type:** Action Memorandum  
**Prepared For:** Economic Development Advisory Commission  
**Date:** March 3, 2026  
**Staff Contact:** Julie Engebretsen, Community Development Director

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### **Problem we're trying to solve**

Homer City Code 8.08 Itinerant or Transient Merchant's License is overly complex and not used. When new businesses come to town in the summer they are seeking to comply with Homer City Code. But the bar is high, resulting in low compliance. These licenses are currently issued by the Police Department.

### **Goals of a code update:**

1. Simplify code to clarify who needs a permit
2. Remove unnecessary permit requirements
3. Determine if Homer wants or needs to have a license for transient merchants in the absence of any other broad community business license (other than mobile food or public transportation such as a taxi or chauffeur's license)
4. Forward a recommendation to City code for either a simplified code or repeal of title 8.08

**Requested action:** Review the attached two applications and codes. Be ready to discuss your preference at the Commission meeting.

**Next Steps:** With Commission direction, staff will consult with the Police Department on the need or lack thereof for these licenses, and staff resources available for permit issuance and enforcement.

### **Examples:**

- Soldotna City code and permit application are attached. This code was revised in 2025 and covers both mobile food and retail sales. This is the simplest example staff found and accomplishes the goal of very minimal regulation with some basic standards. Permits are good for a year.
- Seward code and door to door information is also attached. Seward has a few more rules, and permits are for 150 days per year.

### **Attachments**

1. Soldotna Mobile Vendor Permit
2. Soldotna Code
3. Seward Itinerant Merchant Code (Seward has a city business license in addition to these regulations)
4. Seward Door to Door solicitations (2013)

- E. Transient merchants as defined in section 15.10.140B. of this chapter and which are allowed in accordance with table 15.10.225 are subject to the following development requirements:
1. For purposes of this chapter, such use and storage of equipment shall be limited to a period not exceeding 150 consecutive days in a calendar year.
  2. Transient merchant facilities shall be and remain legally licensed and road ready and shall be removed completely from the property at the end of 150 days.
  3. Transient merchants shall provide for the concealed storage of all inventory, supplies, equipment and other materials brought to the site in connection with the business conducted there.
  4. Transient merchants using vehicles and trailers in the operation of transient business activities authorized by this chapter shall ensure that the area of operation meets the required setbacks as provided by section [15.10.220](#). In no case shall the allowed area of operation be less than five feet from any property line, permanent structure or other transient merchant.
  5. Prior to operation, vehicles and trailers utilized for transient merchant purposes shall have blocked tires and be fully skirted to match the vehicle or trailer.
  6. Any additions, including, but not limited to, porches, platforms and decks, shall be sided or painted to match or complement the vehicle or trailer prior to operation.
  7. Every transient merchant shall provide sufficient trash receptacles on-site and ensure the proper disposal of all garbage collected on the site.
  8. The use of generators is prohibited.
  9. No transient merchant shall conduct business on property owned or operated by the city except in accordance with [chapter 8.10](#) of this Code.
  10. Transient merchants shall conform to all federal, state and local laws.



SOLDOTNA

# Application for a MOBILE VENDOR PERMIT

City of Soldotna  
Economic Development + Planning  
177 N. Birch St.  
Soldotna, AK 99669  
www.soldotna.org  
planning@soldotna.org

APPLICANT	PROPERTY OWNER (IF DIFFERENT)
Name:	Name:
Mailing Address:	Mailing Address:
Phone Number:	Phone Number:
Email:	Email:

RENTAL UNIT INFORMATION
Name of Business:
Type of Unit ( <i>Trailer, Box Truck, etc.</i> ):
Type of Sales ( <i>Circle one</i> ):      Food/Beverage Sales      Other Retail Sales
Plan for waste management ( <i>all waste associated with mobile vending units is required to be collected and removed from the site of operation at the end of each day, per SMC 17.10.380</i> ):

DOCUMENTATION		
<p>Required Attachments:      -\$53 Fee (includes sales tax)               - DEC-Issued Permit (for Mobile Vending Units in food/beverage service only)               - Tax Compliance Certificate from Kenai Peninsula Borough (attached)</p> <p><b>AUTHORITY TO APPLY FOR TEMPORARY USE PERMIT &amp; AGREEMENT WITH OPERATING STANDARDS:</b>            I hereby certify that the information given in this application is true and correct. I certify that I am or I have been authorized to act for the owner of the unit described above and that I apply for a Mobile Vendor Permit in conformance with Title 17 of the Soldotna Municipal Code. I understand that payment of the application fee is nonrefundable and does not ensure approval of this application. I agree to abide by the following standards (from SMC 17.10.380) during the operation of the Mobile Vending Unit:</p> <table border="0"> <tr> <td style="vertical-align: top;"> <ol style="list-style-type: none"> <li>1. Be registered to collect sales tax with KP&amp;B;</li> <li>2. Have obtained permission of property owner(s);</li> <li>3. Not reduce available parking on developed lots below the quantity required for existing permitted uses;</li> <li>4. Not create hazardous traffic patterns for vehicles or pedestrians;</li> <li>5. Not diminish the ability to conduct business, through excessive noise, odor, or other occurrence, to the detriment of neighboring uses;</li> <li>6. Not operate in public right-of-way without specific authorization;</li> </ol> </td> <td style="vertical-align: top;"> <ol style="list-style-type: none"> <li>7. Only operate in non-residential zoning districts;</li> <li>8. Not be out of operation or closed for business more than five consecutive days, without the removal of the Mobile Vending Unit from its location of operation or business;</li> <li>9. Be in accordance with the regulations found in Chapter 15.08, Soldotna's Sign Code;</li> <li>10. Post in a conspicuous place, able to be observed by the general public, both 1) the permit issued from the Alaska Department of Environmental Health/DEC (for Mobile Vending Units involved in food/beverage sales) and 2) the Mobile Vendor Permit issued by the City of Soldotna.</li> </ol> </td> </tr> </table>	<ol style="list-style-type: none"> <li>1. Be registered to collect sales tax with KP&amp;B;</li> <li>2. Have obtained permission of property owner(s);</li> <li>3. Not reduce available parking on developed lots below the quantity required for existing permitted uses;</li> <li>4. Not create hazardous traffic patterns for vehicles or pedestrians;</li> <li>5. Not diminish the ability to conduct business, through excessive noise, odor, or other occurrence, to the detriment of neighboring uses;</li> <li>6. Not operate in public right-of-way without specific authorization;</li> </ol>	<ol style="list-style-type: none"> <li>7. Only operate in non-residential zoning districts;</li> <li>8. Not be out of operation or closed for business more than five consecutive days, without the removal of the Mobile Vending Unit from its location of operation or business;</li> <li>9. Be in accordance with the regulations found in Chapter 15.08, Soldotna's Sign Code;</li> <li>10. Post in a conspicuous place, able to be observed by the general public, both 1) the permit issued from the Alaska Department of Environmental Health/DEC (for Mobile Vending Units involved in food/beverage sales) and 2) the Mobile Vendor Permit issued by the City of Soldotna.</li> </ol>
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Date	Signature

Accepted by:	Date:	Fee: \$53 (inc. tax)	Rec'd?	Yes	No
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SOLDOTNA

# Sales Tax Compliance Certification

**City of Soldotna  
Planning Department  
177 N. Birch Street  
Soldotna, AK 99669  
907-262-9107  
www.soldotna.org  
planning@soldotna.org**

Please complete and return this form to the City of Soldotna Planning Department.  
We will contact the Kenai Peninsula Borough Sales Tax department for certification.

Business Name: \_\_\_\_\_

Business Type:  Corporation  Partnership  Sole Proprietorship/Individual

Owner(s) Name(s): \_\_\_\_\_

Business Mailing Address: \_\_\_\_\_

Phone: \_\_\_\_\_ Fax: \_\_\_\_\_ Email: \_\_\_\_\_

As a business or individual, have you ever conducted business within the Kenai Peninsula Borough?  YES  NO

Soldotna Municipal Code of Ordinances (per Ordinance No. 534) requires that businesses or individuals wishing to obtain any building permit, site plan approval, conditional use permit, or zoning variance be in compliance with the Borough Sales Tax provisions.

I, \_\_\_\_\_ the \_\_\_\_\_  
(Signature) (Business Title)

hereby certify that, to the best of my knowledge, the above information is correct. \_\_\_\_\_  
(Date)

### TO BE COMPLETED BY BOROUGH PERSONNEL

I hereby certify that the above-named business or individual(s) are, to the extent ascertainable, found to be:

In compliance with all Borough sales tax provisions

Not in compliance with all Borough sales tax provisions.

\_\_\_\_\_  
(Signature Required)  
Kenai Peninsula Borough Finance Department

\_\_\_\_\_  
(Date)

## 17.10.380. - Mobile vending units.

- A. Intent. The intent of this section is to establish standards and procedures for mobile vending units, to establish a permit process authorizing the sale of goods and services from mobile vending units and to prohibit sales of goods and services by vendors that are not lawfully permitted mobile vending units in the City of Soldotna.
- B. Definition. "Mobile Vending Unit" includes box trucks, enclosed wagons or trailers, or similar units capable of moving easily daily from location to location and from which sales directly occur. Mobile vending units are not permanently affixed to any site and are self-contained with respect to utilities, merchandise and services. Aside from generators which may sit on the ground, all operations, merchandise and services provided by and related to the mobile vending unit must be contained in, attached or affixed to the unit. The following types of activities may be approved with the issuance of a mobile vendor permit:
1. Food and drink sales.
  2. Retail sales, except sales of marijuana and marijuana products.
- C. Location. Mobile vending units may be operated as an accessory use in non-residential districts, with authorization by the property owner, and are prohibited in all other districts. Mobile vending units are prohibited from carrying out business within public rights-of-way, unless specifically authorized by other city ordinances or regulations or by specific authorization of the administrative officer.
- D. General Standards. The following general standards shall apply as requirements for the operation of mobile vending units in the City of Soldotna. The owner/operator of the mobile vending unit shall:
1. Be registered to collect sales tax with the Kenai Peninsula Borough;
  2. Have obtained permission from the property owner where operating;
  3. Not reduce available parking on developed lots below the required quantity for existing permitted uses;
  4. Not create hazardous traffic patterns for vehicles or pedestrians;
  5. Not diminish the ability of others to conduct business, through excessive noise, odor, or other occurrence;
  6. Not be out of operation or closed for business more than five consecutive days, without removal of the mobile vending unit from its location of operation or business;
  7. Provide for the collection and removal of all waste from the site at the end of each day of operation;
  8. Be in accordance with the regulations found in the City's Sign Code. Except for a sandwich board sign, all signage must be permanently applied to or painted on the vending unit;

9. Post in a conspicuous place, able to be observed by the general public, both the permit issued from the Alaska Department of Environmental Health (for mobile vending units involved in the preparation of foods or beverages) and the mobile vendor permit issued by the City of Soldotna;
  10. Ensure that, with the exception of generators, all operations, merchandise and services provided by and related to the mobile vending unit be contained in or attached to the unit.
- E. Approval procedure. A valid permit is required prior to operating a mobile vending unit in the city. An application for a mobile vendor permit shall be submitted to, and approved by, the administrative officer and shall contain the following:
1. Completed application form, as provided by the City of Soldotna;
  2. The fee as established by the current City of Soldotna fee schedule plus applicable sales tax;
  3. Certification by the Kenai Peninsula Borough Finance Department in a tax compliance certificate (provided on application materials) that the applicant is current in the payment of any sales tax to the City of Soldotna and the Kenai Peninsula Borough;
  4. Copy of valid permit issued by the Alaska Department of Environmental Health, for mobile vending units involved in the preparation of foods or beverages;
- F. Term of permit. The mobile vendor permit shall expire at the end of the calendar year of issuance.
- G. Revocation for noncompliance. The administrative officer may revoke a Mobile Vendor Permit if it is determined that the conduct of the operation(s) is not in compliance with either the terms and conditions of the permit, or the provisions of the Municipal Code. The permit may be revoked immediately, including during the operation of the mobile vending unit.
- H. Violations. The following actions are unlawful:
1. Operating a mobile vending unit without obtaining a valid city mobile vending unit permit;
  2. Operating a mobile vending unit in violation of any of the general standards set forth in subsection D of this section;
  3. Selling or attempting to sell food and/or beverage, merchandise or other services on foot or from a motor vehicle, trailer, tent or other temporary facility that does not qualify as a mobile vending unit;
  4. Operating a mobile vending unit in a location prohibited in subsection C of this section.
- I. Appeal of Decision. Any appeals of decisions made under this section with respect to the issuance or denial of a mobile vending unit permit shall follow the guidelines set forth in 17.10.430, Administrative appeals.

(Ord. No. 2015-024, § 1, 7-22-2015; Ord. No. 2017-014, § 1, 5-24-2017; Ord. No. 2018-004, § 5, 2-14-2018; Ord. No. 2018-029, § 1, 9-26-2018; Ord. No. 2022-012, § 38, 5-11-2022; Ord. No. 2025-011, § 38, 5-28-2025)



# ACTION ITEM REPORT

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## Budget Request

**To:** Economic Development Advisory Commission  
**From:** Julie Engebretsen, Community Development Director  
**Meeting Date:** March 3, 2026

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**Summary Statement:** The EDC has the opportunity to make a budget request for inclusion in the FY 27 budget.

**Requested action:** Recommend any budget requests to the City Council.

**Background:** The City follows a two-year budget cycle. Halfway through, there is a modest budget adjustment, to make any corrections or changes to the second-year budget. If the EDC would like to see something funded, now is a good time to address it. (I am not aware of any items, but if you wanted to recommend something like STR software, this would be one but not the only opportunity to request it).

**Staff Recommendation:**  
Identify any budget requests for Council for FY 27.

## **2026 EDC Work Plan**

March 2026

### **January:**

1. Annual work plan
2. Discuss Itinerant Merchants/draft code

### **February:**

3. Discuss 5-year CEDS update
4. Discuss Short-Term Rentals

### **March**

5. Discuss Short-Term Rentals - continued
6. Continue Itinerant Merchants/draft code
7. Discuss and make any budget recommendations
8. Discuss Title 21 Update (April due to timing of draft release?)

### **April**

9. Talk about housing/mixed use development and districts such as downtown and Rural Residential (Title 21)
10. Update Bylaws with meeting schedule
11. Update City code for meeting schedule and CEDS role
12. KPEDD Industry Outlook Forum (Seward)
13. Start looking at comp plan, compare with CIP, budget and Commission work plan

### **May**

14. Continue/complete comp plan/budget/CIP comparison for 2026.
15. Identify 2-3 tasks to work on for remainder of 2026
16. Complete Bylaws and code update (2 meeting process)

### **June- November – work on identified tasks from May meeting**

August

September

October

November