

TO: Planning and Economic Development Committee
FROM: Judy Daniel, Director, Planning and Development Department
DATE: April 10, 2014
SUBJECT: Update – Homestay Use and Short Term Rentals

At the January meeting the Committee considered the staff analysis of the growth of short term rentals in the City in recent years. After substantial public input and discussion the Committee directed staff to prepare modifications to the “Homestay” use and to return with further input on the short term rental of homes.

The proposed modifications to the Homestay use are being introduced at the Planning and Zoning Commission at their May meeting. Staff continues to receive little resistance to the expansion of this use.

We had intended to present additional recommendations for the short term rental use at this meeting, but due to weather two intervening meetings of the Coalition of Asheville Neighborhoods group (CAN) were cancelled and staff will not be meeting with them until Monday, April 14. Their input is very important, as they represent the group that has expressed the most concerns about the expansion of this use. There will not, therefore, be time to prepare a report that includes the issues of concern to CAN in advance of this meeting. Staff will present that report at the May PED meeting.

In the time since the January meeting, staff has continued to receive input – pro and con – regarding this use. And the issue has been covered in the local media. The decision on whether to establish standards that allow short term rentals of homes in residential neighborhoods will be difficult since there are many advantages and difficulties in either direction. Staff has, generally, found little new information leading to a clear direction on this subject. The decisions of cities on the subject, regionally and nationally, vary widely and reflect local business and neighborhood protection passions.

One factor is clear. In cities where they are allowed in residential neighborhoods, there has been a parallel strong commitment to additional enforcement efforts; and added enforcement staff in the Development Services Department would be required. And the cost of these enforcement efforts is usually covered by added fees or as a percentage of the local lodging tax. Since Asheville does not receive any direct revenue from that lodging tax, the cost for added enforcement would have to be borne through a new fee or absorbed by the general fund.