

CITY OF CAMBRIDGE, MASSACHUSETTS

# PLANNING BOARD

CITY HALL ANNEX, 344 BROADWAY, CAMBRIDGE, MA 02139

Date:	June 7, 2017
Subject:	City Council Petition on Short-Term Rental Housing
Recommendation:	The Planning Board recommends ADOPTION, with suggested elements to be clarified.

To the Honorable, the City Council,

On May 23, 2017, the Planning Board held a public hearing on this petition by the City Council to create a definition of and requirements for “short-term rental,” defined as “[a]ny rental in a residential dwelling stipulated to be less than 30 consecutive days and used for residential purposes only.” The Board received a presentation of the petition by City Councillor Craig Kelley and Wilford O. Durbin, Aide to Councillor Kelley, reviewed material provided by CDD staff, and heard testimony from members of the public. At the same meeting, the Board held a public hearing on a zoning petition by Latoyea Hawkins Cockrill, et al., which addresses the same topic but is a separate petition, for which the Board has made a separate recommendation.

With the current growth of online platforms that facilitate the renting of residential properties to guests for short-term stays, the Board believes it is important to make clear in the Zoning Ordinance whether or not the short-term rental of a dwelling unit (as distinct from principal use transient accommodations such as tourist houses or hotels) is allowed, and what limitations and regulations apply. The Board believes that now is an appropriate time to enact a policy, as this type of unregulated activity is becoming more widespread. Such policy could be changed in the future if it is found to have adverse consequences or if the City’s housing goals change over time.

The Board broadly supports the rights of residents to use their property in a fair way and agrees that short-term rentals can provide benefits, including additional income for residents with underutilized living space and new ways to welcome visitors into the city. The Board also understands that the “sharing economy” is an emerging reality made possible by new technologies, and will likely continue to grow and evolve in the future.

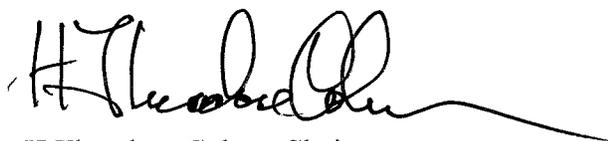
However, the Board is concerned by the potential for widespread conversion of long-term housing to short-term accommodations, effectively converting apartments into unauthorized hotels, which could drive up property values and thus housing prices, and potentially put the safety of guests at risk if not regulated. The Board is particularly concerned that the growth of online short-term rentals appears to be negatively impacting on the city’s already low rental housing vacancy rate. It should be noted that the Zoning Ordinance currently has rules allowing for transient accommodations, such as hotels and bed and breakfasts, in a regulated manner.

After considering the aforesaid concerns, the Board finds the approach proposed in the City Council petition to be reasonable, fair, and well thought-out, appropriately balancing the need to protect long-term residential units with residents' ability to welcome guests into their homes, if they choose to do so, in an economically beneficial manner.

While the Board strongly supports adoption of the petition, the following comments are provided to suggest some aspects of the petition that might be given additional consideration in order to improve the clarity and effectiveness of the ordinance:

- The Board supports the short-term rental of both owner-occupied units and owner-adjacent units, but feels that the definition of “owner-adjacent units” and the limitations on the number of units that may be short-term rentals in both “owner-adjacent” and “owner-occupied” units could be clarified.
- It should be made clear that the ordinance does not supersede restrictions on short-term rentals that may be contained in leases or condominium documents. In particular, authorization from the property owner is important where a long-term tenant is the short-term rental operator, to demonstrate compliance with the lease and because the property owner is responsible for ensuring that the property complies with zoning requirements and other applicable codes. This authorization requirement should be set forth either in the ordinance or in its implementing regulations, to avoid involving the City in conflicts between landlords and tenants or among condominium owners.
- The Board is concerned that some of the provisions relating to building code requirements and inspections are too onerous and question how they will be enforced, since the City contains many older homes and long-term rental units that do not meet all the requirements of current codes but are nonetheless safe for habitation. Long-term rental housing does not mandate an inspection and compliance with current codes. The Board understands that short-term rentals might reasonably require additional safety measures, for the same reason they are applied in hotels and other guest accommodations. However, the Board speculates that if property owners contemplating short-term rentals are uncertain whether submitting to an inspection might result in the need for costly upgrades, they might be dissuaded from following the ordinance's registration procedures. Some fine-tuning of the language, with assistance from the Inspectional Services Department and Law Department, would be beneficial to explain what specific requirements would be applied and to clarify the purpose of the inspections. Similarly, the Board questioned the rationale for “bookkeeping” requirements that apply only to owner-adjacent units.

Respectfully submitted for the Planning Board,



H Theodore Cohen, Chair.