



CITY OF CAMBRIDGE, MASSACHUSETTS

PLANNING BOARD

CITY HALL ANNEX, 344 BROADWAY, CAMBRIDGE, MA 02139

AGENDA

Tuesday, May 23, 2017 at 6:30 p.m.
Second Floor Meeting Room, 344 Broadway
Cambridge, Massachusetts

General Business

Update from the Community Development Department

Adoption of Planning Board meeting transcripts

Public Hearing

- 6:30 p.m. Zoning Petition by Latoyea H. Cockrill, et al., to amend the Zoning Ordinance by creating a new definition in Article 2.000 for “Short-term rental” to mean the accessory use of all or part of a residential dwelling unit by rental for temporary occupancy for dwelling, sleeping, or lodging; amending Section 4.31.1.I of the Table of Use Regulations to permit ‘Short-term rental’ use in all Residential Districts; and create a new Section 11.900 – “Short-Term Rental Use” to govern this use.
- 7:00 p.m. Zoning Petition by Cambridge City Council to amend the Zoning Ordinance by creating a new Section 4.60 Short Term Rentals to provide regulations for short term residential rental and ensure that the use will not be a detriment to the character and livability of the surrounding residential neighborhood. This new Section 4.60 will apply to all districts where residential uses are allowed.

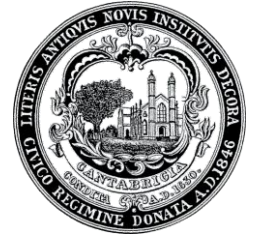
General Business items may be taken out of the order in which they appear on the agenda above. Times for General Business items are approximate. Public comments are taken only during a Public Hearing. During the discussion and deliberation on General Business items, the Planning Board does not solicit public comment. The City of Cambridge will provide reasonable accommodations to people with disabilities upon request. Please make requests for alternative formats at least two weeks in advance by contacting the Planning Board staff listed below. For further information concerning this agenda, please contact Liza Paden, Planning Board staff, at 617 349 4647, lpaden@cambridgema.gov. Applications and Petitions are online at www.cambridgema.gov/cdd.

CAMBRIDGE SHORT-TERM RENTAL PROPOSAL

WILFORD O. DURBIN

OFFICE OF CAMBRIDGE CITY COUNCILLOR CRAIG A. KELLEY

MAY 23, 2017



“[Cities] should prioritize the housing needs of residents over the needs of tourists when the two aims conflict.”

—Dayne Lee, “How Airbnb Short-Term Rentals Exacerbate Los Angeles’s Affordable Housing Crisis,” *Harvard Law and Policy Review*, Vol. 10-1 (Feb. 2017), 244.

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- The Challenges Cities Face
 - Short-term rentals in Cambridge
 - Council Petition
-

REPORT: SHORT CHANGING NEW YORK CITY (JUNE 2016)

- **90 Percent of Airbnb listings are concentrated in a few neighborhoods in Manhattan and Brooklyn**
 - 53 percent of all Airbnb listings are located in one of five “macro-neighborhoods”
- **Commercial use of Airbnb is pervasive**
- **Impact Listings may exacerbate already severely low vacancy rates**
- **Geographic concentration of Airbnb listings coincides with rapidly changing neighborhoods**
- *Neighborhoods with greater concentration are at “highest risk for experiencing the negative impacts associated with short-term rental activity, such as constrained supply, increased rental prices, and accelerated changes to neighborhood characteristics.”*

REPORT: SQUEEZED OUT: AIRBNB'S COMMERCIALIZATION OF HOME-SHARING IN TORONTO (NOVEMBER 2016)

- **Large proportion of Airbnb's revenue generated commercially, through business that does not involve practice of home sharing:**
 - Found that 16% of hosts controlled 38% of total listings, generating 52% of company's revenue
- **Majority of listings concentrated in three neighborhoods**
- **Short-term rentals “emerging force that drives the process of displacement in cities around the world.”**

“One thing is for certain: short-term rentals offered through the platform do not in any way help the problem of low vacancy rates for long-term renters seeking affordable housing in Toronto and elsewhere.”

—Nobody's Business: Airbnb in Toronto (Canadian Centre for Policy Alternatives)

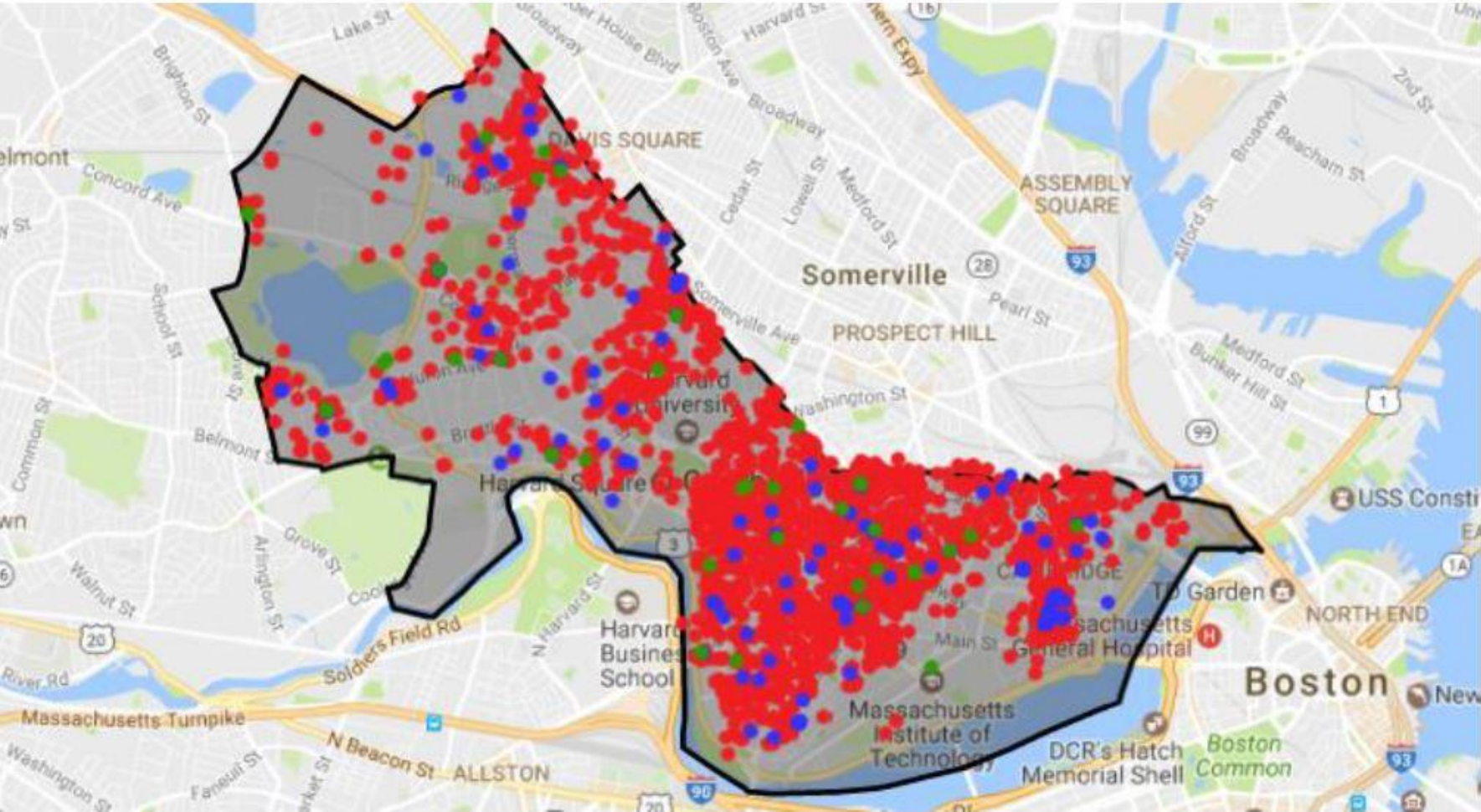
REPORT: REGULATING SHORT-TERM RENTALS IN VANCOUVER (SEPT. 2016)

- **There is a strong financial incentive to rent short-term instead of long-term:**
 - Renting 1 BR unit nightly for 9 to 12 days per month will generate the same revenue as renting the same property on a monthly/yearly basis. For two bedroom units the break-even point is between 7-11 days.

REPORT: HOW AIRBNB SHORT-TERM RENTALS EXACERBATE LOS ANGELES'S AFFORDABLE HOUSING CRISIS

- Airbnb likely reduces the affordable housing supply by distorting the housing market in two interconnected mechanisms:
 1. simple conversion of any housing unit that was previously occupied by a city resident; and
 2. “hotelization,” where differences in hotel price vs. rental income encourages property owners to offer units on Airbnb, spurring “displacement, gentrification, and segregation.”
- *“Airbnb facilitates the inappropriate merging of the residential and tourist markets on an unprecedented scale, and unlike with a shortage of, say, shoes or oranges, neither the market nor the public sector can swiftly replace the housing units that Airbnb removes from the marketplace.”*

Short-term rentals in Cambridge as of April, 2017



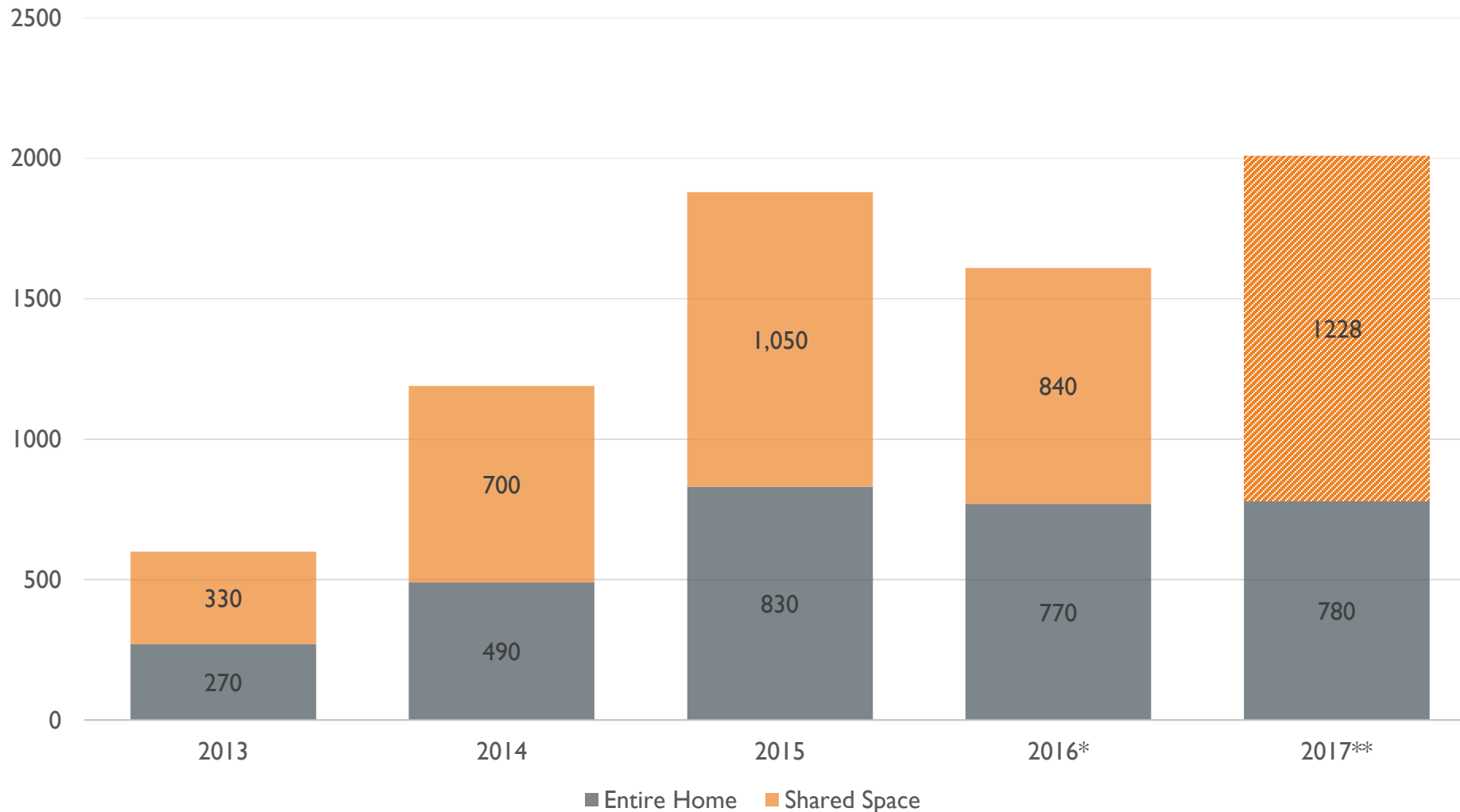
Sources: Host Compliance proprietary data



Source: Host Compliance, "Cost-effective solutions to Cambridge's short-term rental monitoring and compliance problems," April, 2017.



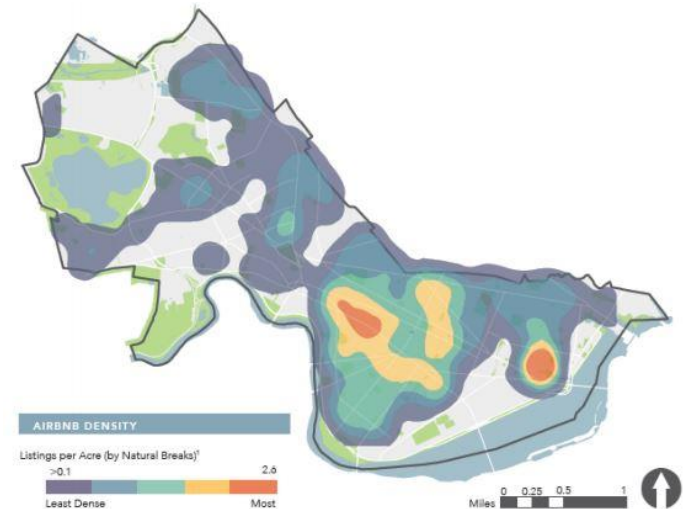
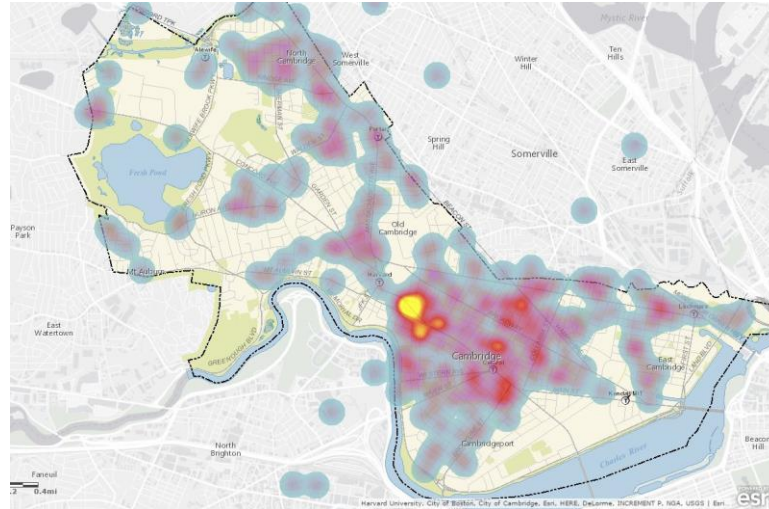
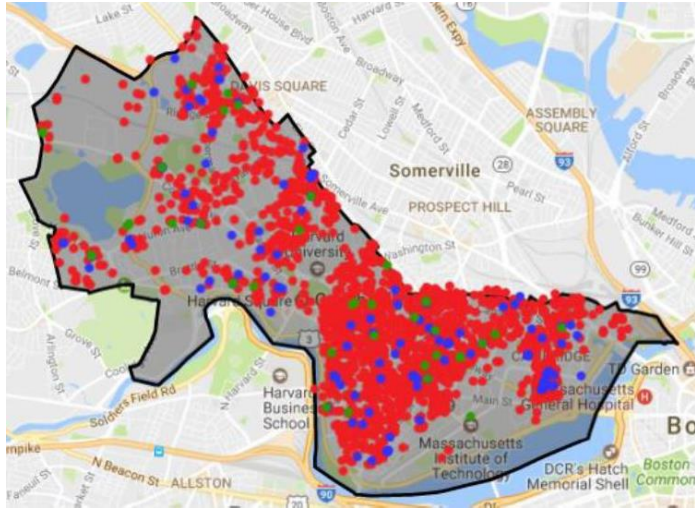
ACTIVE AIRBNB LISTINGS BY ENTIRE HOME OR SHARE SPACE IN CAMBRIDGE 2013-2017



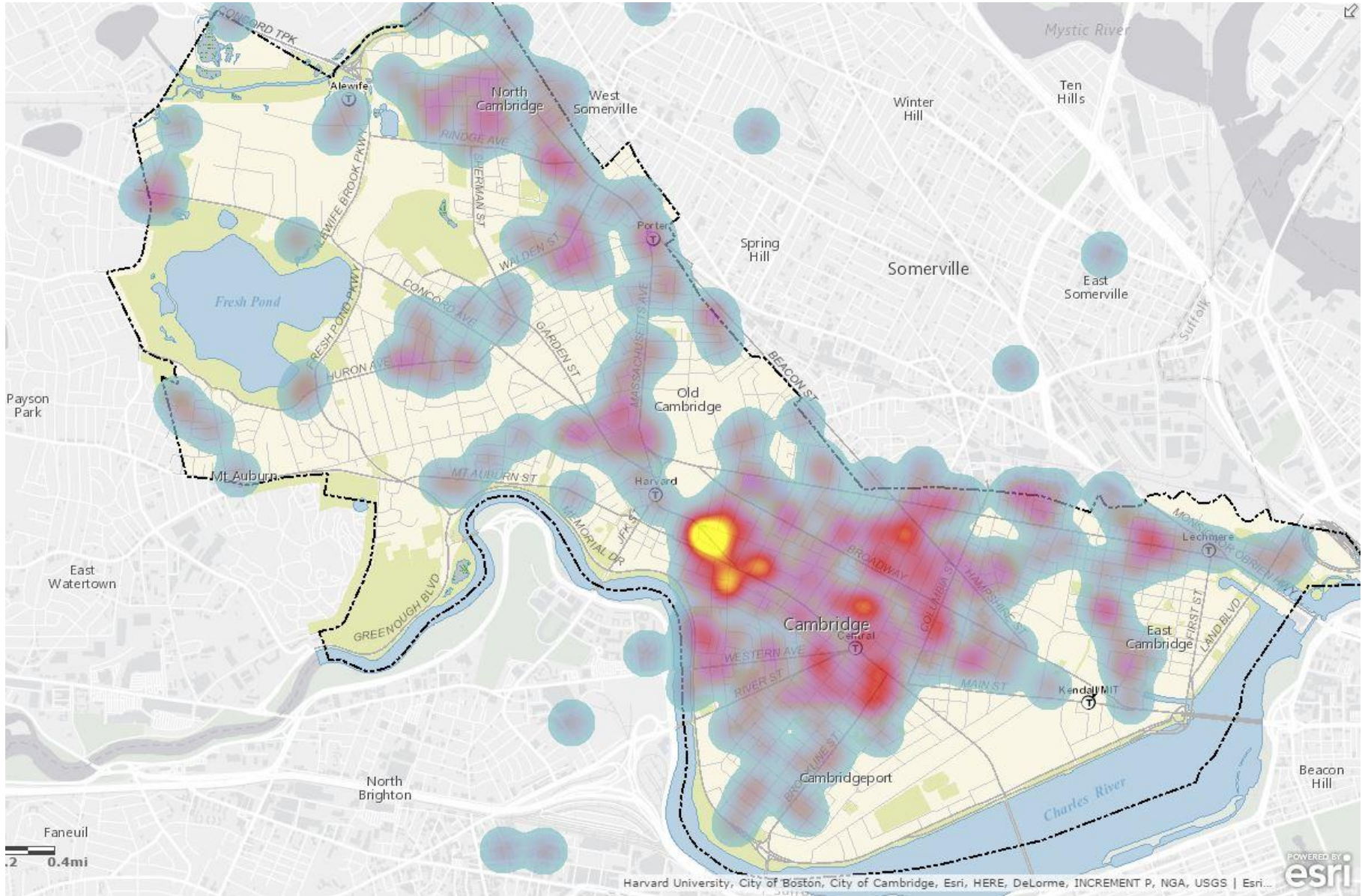
Airbnb defines “active listings” as any unit that have successfully hosted at least one night in the past year.

*Information for 2016 was made available by Airbnb, and only through July 31.

**Airbnb reported in an April 2017 report that there were 780 entire home listings year to date, total listings were not reported. Host Compliance estimates 2,008 total short-term rentals in Cambridge as of May 1, and the balance is represented as an estimation.



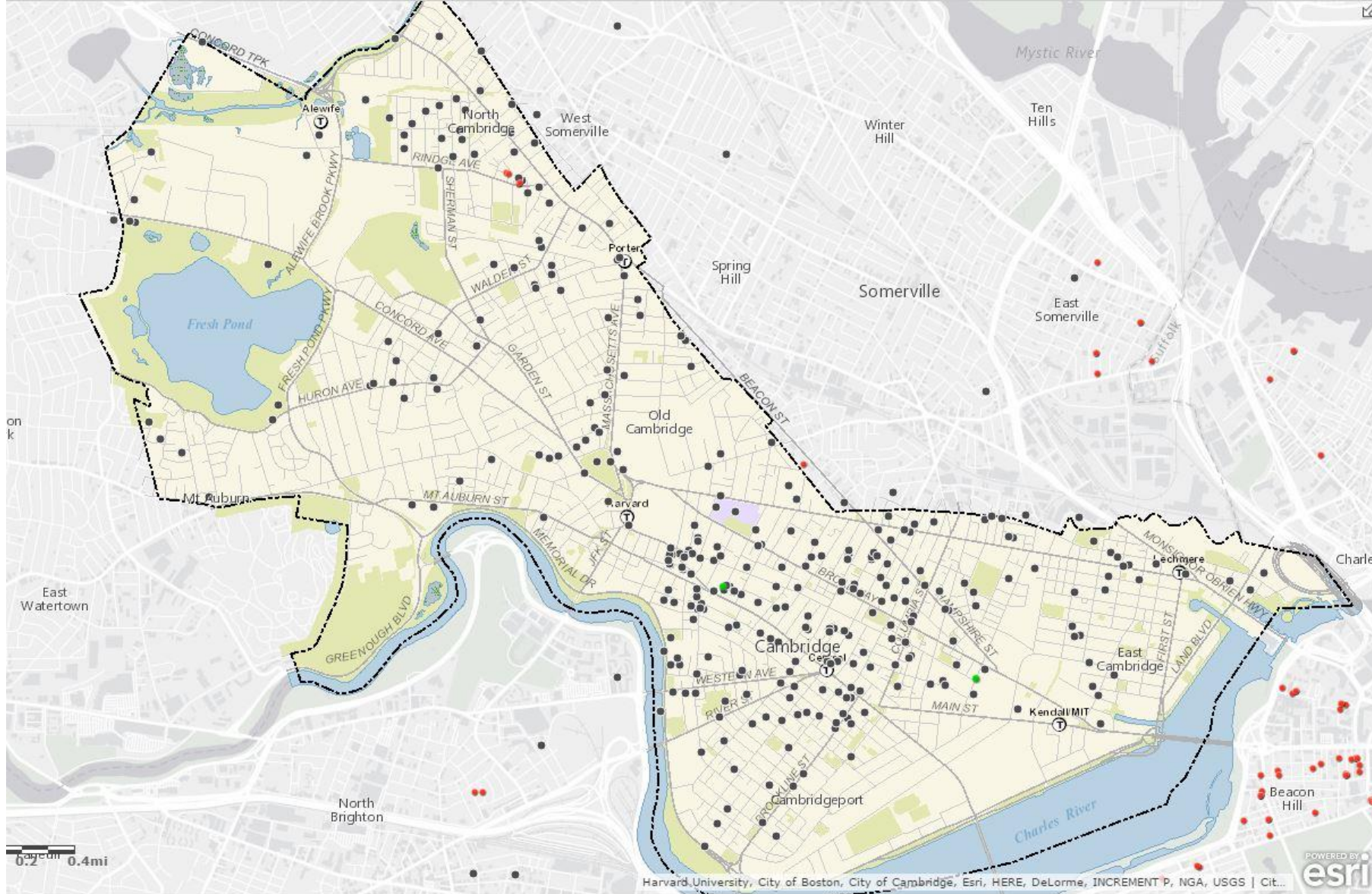
LOCATING SHORT-TERM RENTAL UNITS IN CAMBRIDGE



Concentration of Short-Term Rental Units in Cambridge



Data on short-term rental locations courtesy of the *Boston Globe* and import.io.



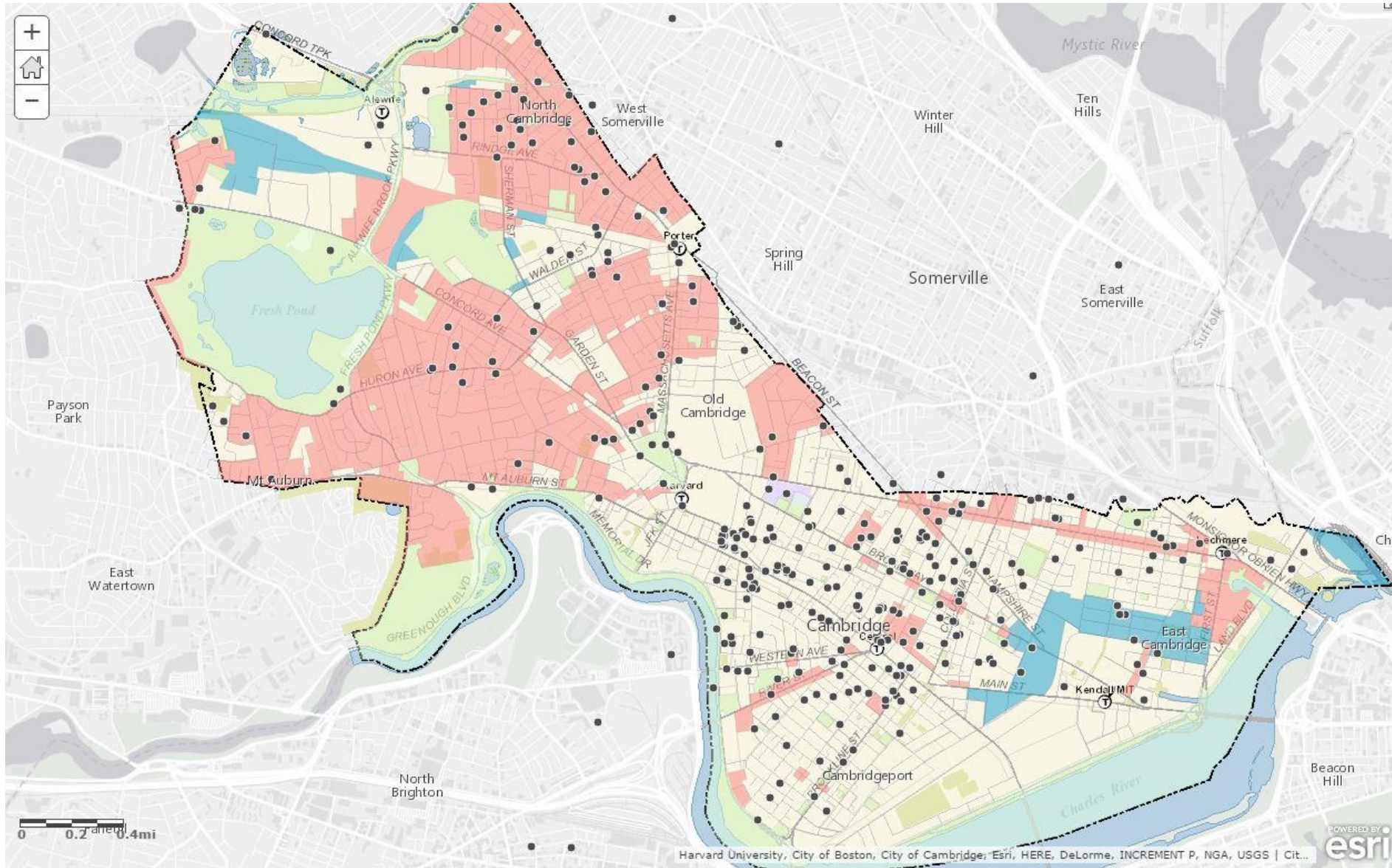
Short-Term Rental Units in Cambridge

- Airbnb
- HomeAway
- FlipKey

Information generated from data shared by the *Boston Globe* as used to write a August 2015 report on Airbnb use in the Metro region.

Of the 591 properties identified by the *Globe* in Cambridge, geographic data was available for only 338 (57%)
 Of the 253 Airbnb listings without geographic info, 109 (43%) listed proximity to Harvard in their title

Many thanks to *Globe* staff Matthew Rocheleau for sharing the data collected by import.io

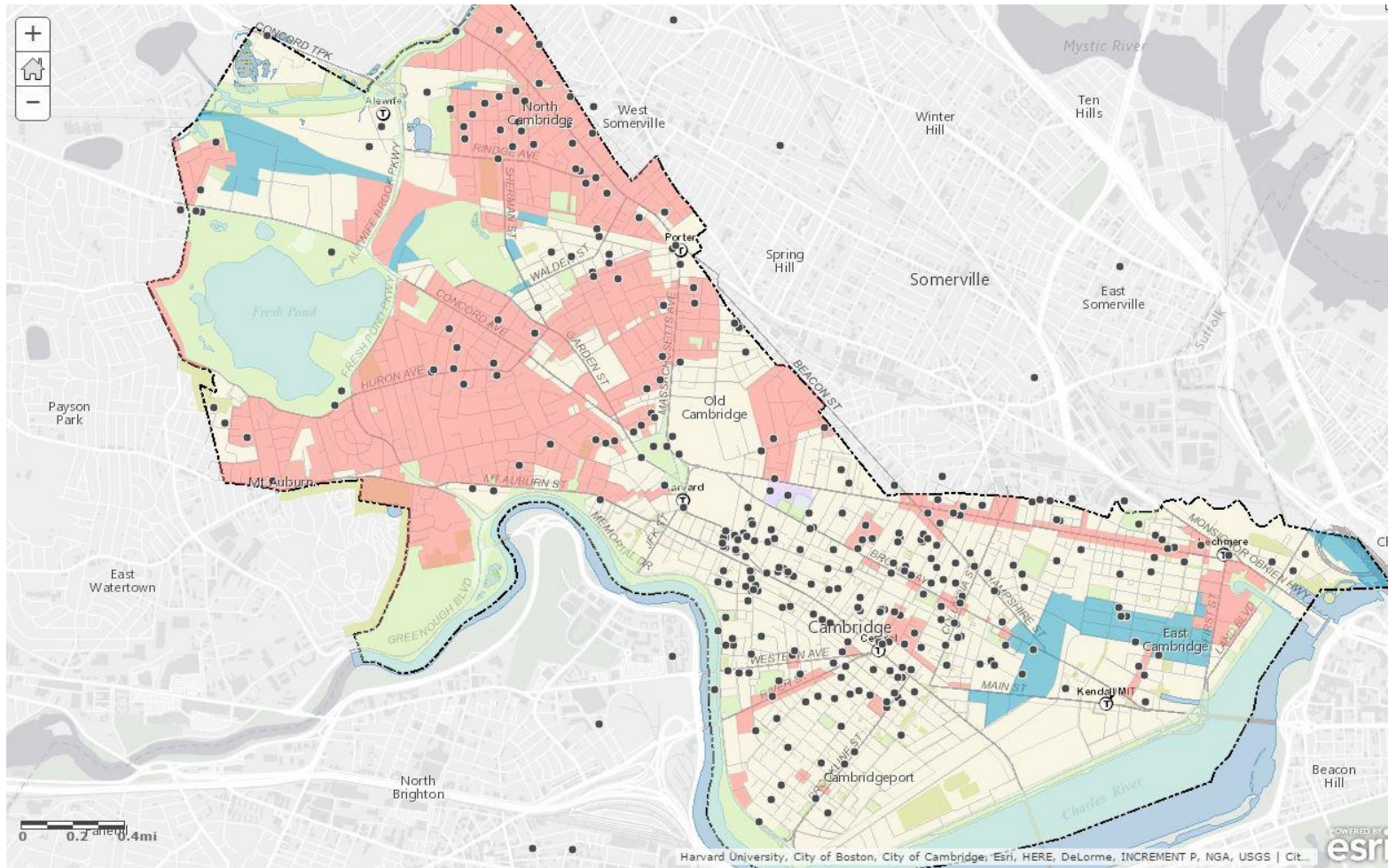


Airbnb Locations With Zoning Overlay

Shaded areas indicate zoning areas that specifically disallow transient accommodations or require a special permit.

- Not allowed
- Special Permit

Data on short-term rental locations courtesy of the *Boston Globe* and import.io.



Airbnb Locations With Zoning Overlay

Of the 338 Airbnb listings for which geographic data is available, 26% operate in zoned areas where tourist houses are not permitted

Data on short-term rental locations courtesy of the *Boston Globe* and import.io.

OBSERVED SHORT-TERM RENTAL USE IN CAMBRIDGE 2015

The *Boston Globe* found 591 short-term rental advertisements in Cambridge operated by 412 users with unique ID numbers.

STR Units Advertised # of Operators

2 units	50
3-4 units	14
5-7 units	7
8+	6

- 21 listings had more than 100 reviews
- The Airbnb listing with the most reviews, “Priv Bdrm w/ Bath at MIT” at \$99 per night, had 219
- The most expensive Cambridge listing with reviews, a 5 bedroom house, charges \$750 per night

One user had 13 STR rooms advertised stretching across 4 separate properties, removing as many as 9 dwelling units from the long-term rental market



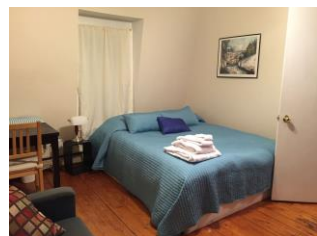
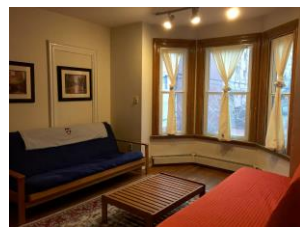
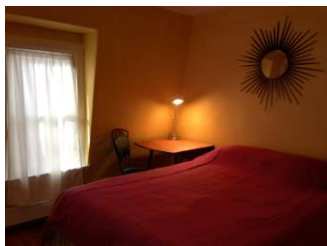
Large I BR in Harvard Square!!

Nightly prices range from:
\$145-\$175 per room
\$170-\$344 per entire apt

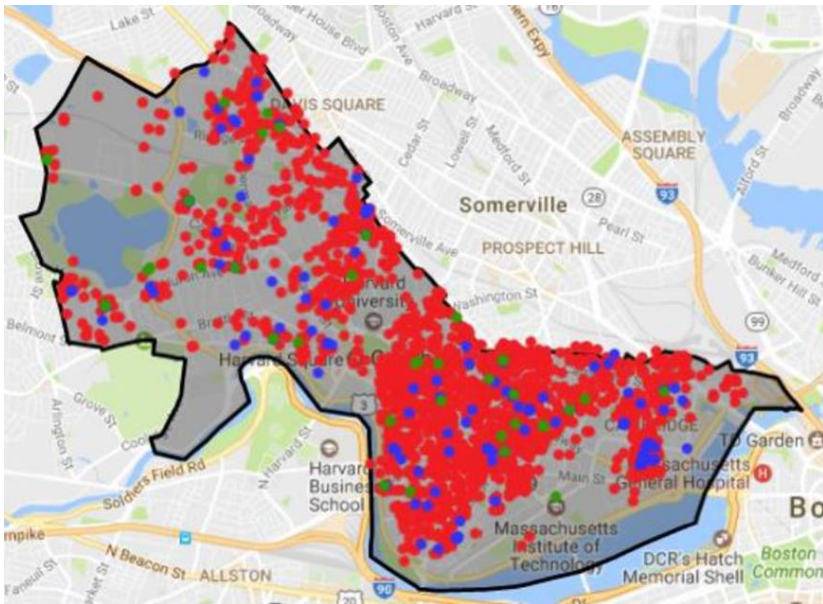
I BR & I BA \$7,958 per month

Renters staying in an entire apt are offered parking:

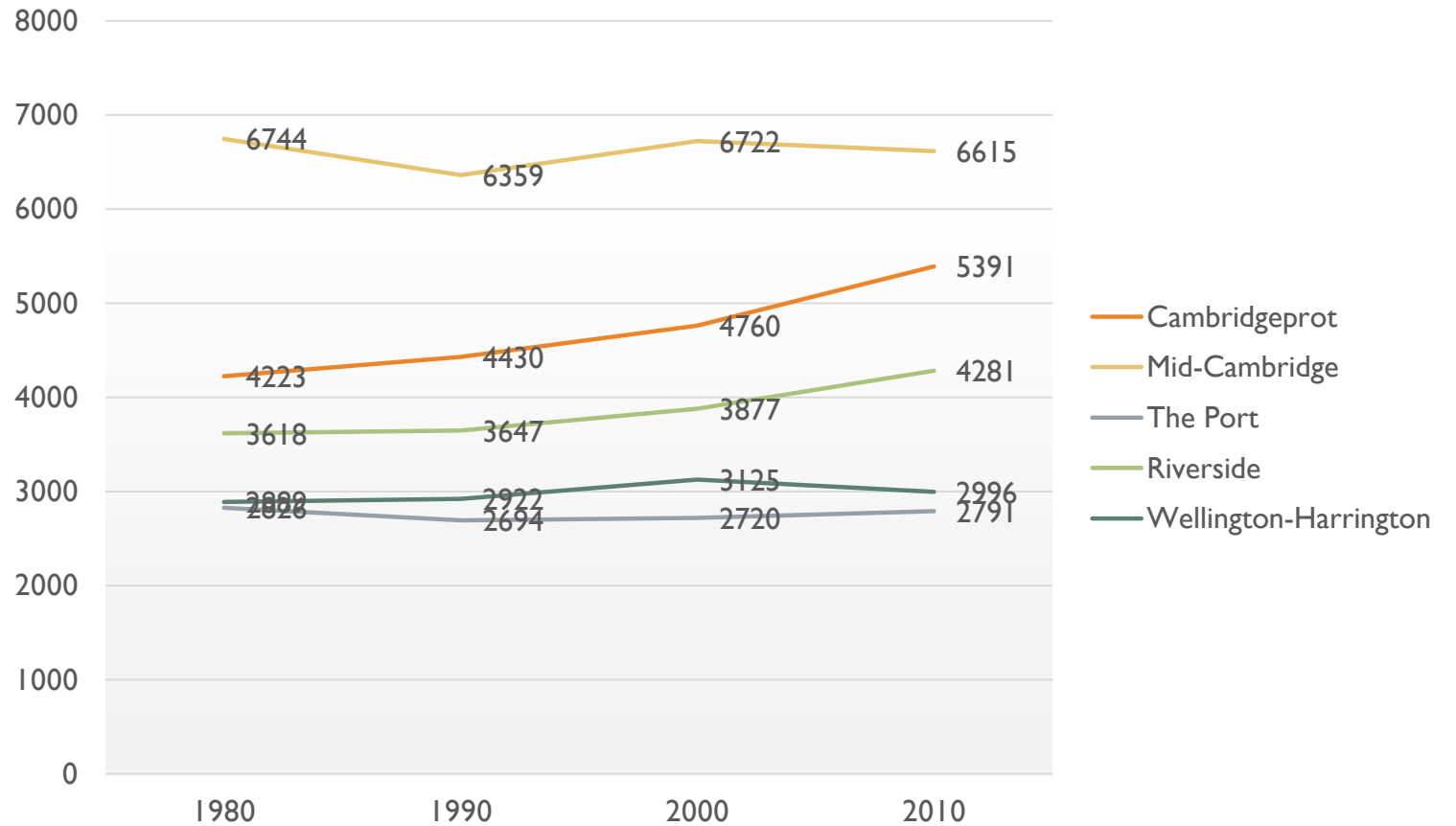
“Street permit parking may be reserved upon request; however, permits are limited in number.”



STR-RICH NEIGHBORHOOD PROFILE— 68% RENTER-OCCUPANCY



Number of Dwellings by Neighborhood 1980-2010



Cambridge CDD, "Neighborhood Statistical Profile," City of Cambridge (April, 2016).



COUNCIL PETITION: LEGAL, SAFE, FAIR



VANCOUVER ADMINISTRATIVE REPORT: STR POLICY OBJECTIVES

1. **Long Term Rental Supply:** Protect the supply and affordability of long term rental housing for Vancouver residents
2. **Health and Safety:** Ensure residential space rented as tourist accommodation meets Building Bylaw and Property Use standards
3. **Neighborhood Fit:** Maintain quality of life and safety in residential neighborhoods and buildings.
4. **Tax and Regulatory Equity:** Treat accommodation providers equitably from a tax and regulatory perspective.
5. **Supplemental Income:** Allow residents to earn income from renting their home occasionally.
6. **Tourism:** Support growth in tourism and Vancouver's ability to support peak tourism season and to host major events.
7. **Compliance:** Design a regulatory, licensing and enforcement system that is easy to understand, inspires high levels of voluntary compliance and has effective means of preventing unlawful behavior.

GOALS OF CAMBRIDGE STR ORDINANCE

LEGAL

- Provide clear set of guidelines to operate short-term rental unit(s)
- Allow City to easily track and monitor STRs and enforce regulations

SAFE

- Provide renters with assurance that unit complies with all safety, sanitary, and zoning regulations
- Keep residents informed of presence of short-term rentals in neighborhood

FAIR

- Allow for short-term renting that does not exacerbate Cambridge's housing crisis
- Protect established neighborhoods, ensure that the rights and security of permanent residents are respected

OWNER-OCCUPIED PLUS OWNER-ADJACENT

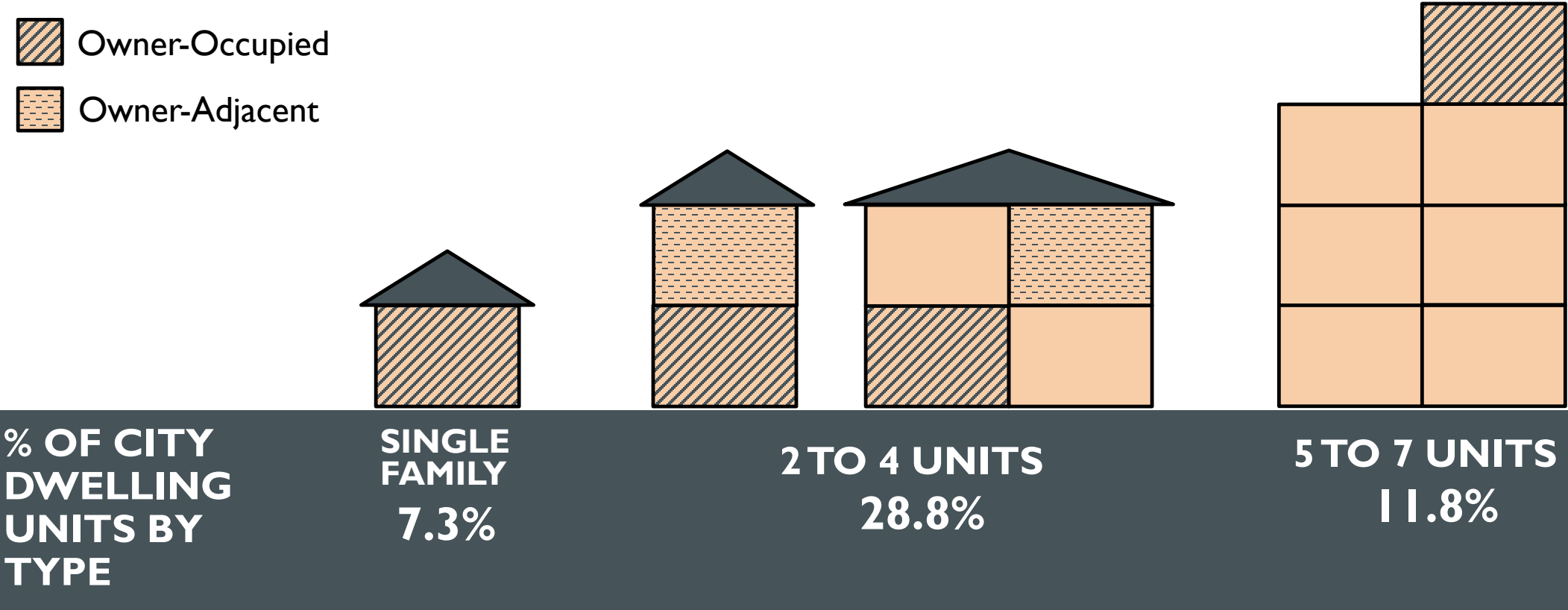
- Owner-occupied unit. Any dwelling unit with short-term rentals that is also the primary dwelling unit for its operator, or occupied by the primary leaseholder, with three or fewer rooms for rent for fewer than 30 consecutive days each.
- Owner-adjacent unit. Any dwelling unit used for short-term rentals, not occupied by the owner, in a residential building with four or fewer total units where all units are owned by the same person, and one of the four units is used as the primary place of residence for the owner.

City	Approach	Unit types that can be licensed	# nights that can be rented per year		Caps on # STR Licensed	Who can hold license	Tax Paid
			Shared Space	Entire Unit			
Berlin	Restrictive	Principal residence	Unlimited	0	None	Owner Renter	YES
Austin	Permissive	Principal residence Secondary suite Investment unit	Unlimited	179 Unlimited Unlimited	Investment units: 3% residential neighborhood 25% commercial	Owner	YES
Denver	Balanced	Principal residence	Unlimited	Unlimited	None	Owners Renters	YES
Vancouver	Balanced	Principal residence	Unlimited	Unlimited	None	Owner Renter	YES
Portland, OR	Balanced	Principal residents: Accessory units on site Type A Accessory units on site Type B	Unlimited	Unlimited	Unlimited 1 unit or 25%, ≤ 2 bedrooms 1 unit or 25%, ≤ 3 bedrooms ≥ 5	Owner Renter	YES
Cambridge	Balanced	Principal residence Owner Adjacent on site	Unlimited	Unlimited	None	Owner Renter	YES

This figure recreates and expands a table in: Kaye Krishna, “Regulating Short-Term Rentals in Vancouver,” City of Vancouver, (September 28, 2016).

Allowable Owner-Occupied and Owner-Adjacent STR Use Licensing by Housing Type:

Single Property Owner

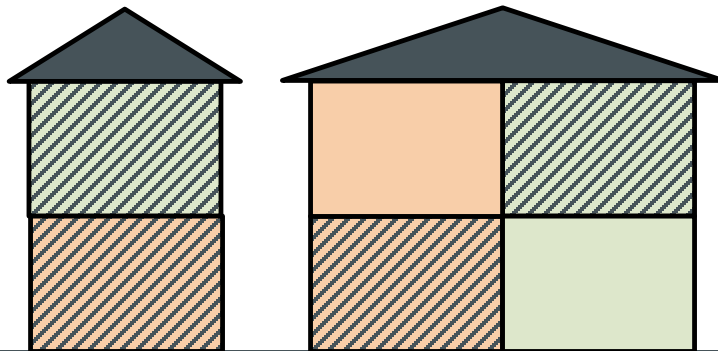


Allowable Owner-Occupied and Owner-Adjacent STR Use by Housing Type: Multiple Property Owners

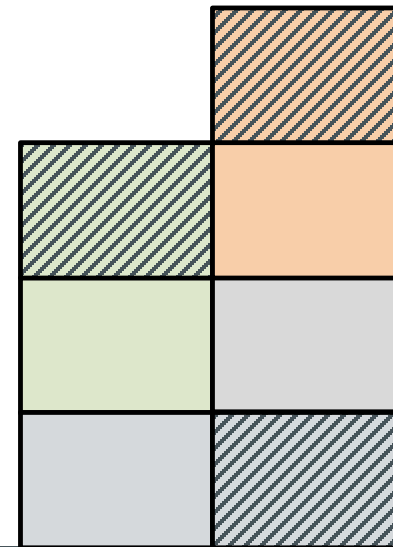
 Owner-Occupied

 Owner-Adjacent

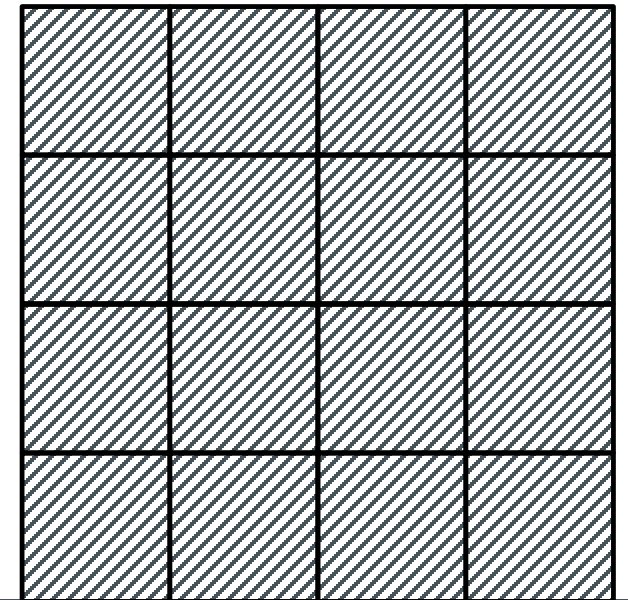
Each Color Denotes a
Separate Owner



**MULTIPLE
OWNERS**



**SUBJECT TO CONDO-
ASSOCIATION DOCS**



LEGAL SHORT-TERM RENTALS

- Allows short-term rentals “in all districts where residential use is permitted subject to the following limitations.”
- Short-term rentals must register with Inspectional Services Department
- Are required to pay all taxes and fees established by State and City
- Required to maintain liability insurance

SAFE SHORT-TERM RENTALS

- Meet all requirements for safety established by Inspectional Services Department and Fire Department
- Have owner present to respond to complaints and emergencies (or local contact person)
- Emergency exits must be posted in owner-adjacent
- Notify neighbors of intent to offer short-term renting in dwelling

FAIR SHORT-TERM RENTALS

- This ordinance shall provide regulations to make the operation of short-term rentals legal for Cambridge residents, protect the safety of renters and residents, ensure that the primary use remains residential, and to ensure to that short-term rentals will not be a detriment to the character and livability of the surrounding residential neighborhood.

Sources

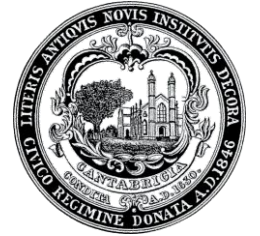
- Executive Director, Municipal Licensing and Standards & Chief Planner, “Developing an Approach to Regulating Short-Term Rentals,” City of Toronto (October 11, 2016).
- Zohra Jamasi and Trish Hennessy, “Nobody’s Business: Airbnb in Toronto,” Canadian Centre for Policy Alternatives, Ontario (September 2016).
- Cambridge Community Development Department, “Neighborhood Statistical Profile,” City of Cambridge (April 2016).
- BJH Advisors LLC, “Short Changing New York City: The Impact of Airbnb on New York City’s housing market,” Housing Conservation Coordinators Inc. (June 2016).
- Dayne Lee, “How Airbnb Short-term rentals exacerbate Los Angeles’s Affordable Housing Crisis: Analysis and Policy Recommendations,” *Harvard Law and Policy Review*, Vol. 10-1 (Feb. 2017).
- Kaye Krishna, General Manager Building and Licencing, “Regulating Short-Term Rentals in Vancouver” City of Vancouver (September 28, 2016).
- Community Development Department Staff, “Short-Term Housing Rentals Zoning Petition,” City of Cambridge (May 19, 2017).
- Thorben Wieditz, “Squeezed Out: Airbnb’s Commercialization of Home-Sharing in Toronto,” Fairbnb.ca Coalition (November, 2016).
- New York State Attorney General, “Airbnb in the City,” State of New York’s Research Department and Internet Bureau (October 2016).

CAMBRIDGE SHORT-TERM RENTAL PROPOSAL

WILFORD O. DURBIN

OFFICE OF CAMBRIDGE CITY COUNCILLOR CRAIG A. KELLEY

MAY 23, 2017



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