



THE CITY OF NEWPORT, RHODE ISLAND – AMERICA'S FIRST RESORT

Planning Board

November 8, 2018

Mr. Joseph J. Nicholson, Jr, City Manager
Newport City Hall
43 Broadway
Newport, RI 02840

Re: Short Term Rental Investigatory Group (STRIG)

Dear Mr. Nicholson,

Since June of this year, the Planning Board's Short Term Rental Investigatory Group (STRIG) has studied the impact of short term rentals (STR) on the City of Newport, its neighborhoods and its stakeholders. Attached please find a copy of STRIG's report detailing its findings for your review and consideration.

Based upon the findings in the report, the Planning Board is now prepared to develop a policy on short term rentals with guidance from the City Council. Therefore, the Planning Board respectfully requests that the STRIG report be forwarded to the City Council and that the Planning Board be authorized to develop a comprehensive STR system for review by the Council.

A second component of this submission is a memorandum of communication from a group of litigants that participated in the STRIG meetings. This correspondence offers an alternative proposal for STR policy than that sought by the STRIG. While the STRIG worked with this group, their suggested policies were not entirely integrated into the proposed STRIG policy framework.

At the November 5, 2018 Planning Board Meeting, the Board recommended that the City Council utilize the findings of the STRIG report to refine the STR process with recommended revisions to applications, registration and licensing procedures for STR while also incorporating these revisions into the Zoning Code revisions efforts.

The Planning Board considers the Short Term Rental Policy as one of its top planning priorities. In an effort to continue the momentum of STRIG's work, the Board recommends that the communication be made to City Council at its next meeting with a goal of having feedback returned in time for the Planning Board's January 2019 meeting. On behalf of the Board, please accept this request to develop a complete short term rental package on behalf of the city.

Sincerely,

Melissa Pattavina

Chairperson, Newport Planning Board

CC: G. Weston, C. O'Grady

CITY OF NEWPORT
SHORT TERM RENTALS INVESTIGATORY GROUP (STRIG)

MEMORANDUM

Date: September 27, 2018

To: The Newport City Council and Planning Board

From: Jeff Brooks, Chairman STRIG

Re: Short Term Rentals

At its June 2018 meeting, the Planning Board formed a Short Term Rentals Investigatory Group (STRIG) and selected me as chair. Volunteers who formed the group were the Planning Board Chair, Melissa Pattavina, Vice Chair, Liam Barry, former Chair of the Zoning Board, Rebecca McSweeney, Newport Fire Marshal Wayne Clark, Newport Fire Captain Robert Dufault, and Newport citizens, Turner Scott who has concentrated his practice in land use and municipal matters, and Terry Mullany, a property and business owner.

The Group held a series of seven meetings from June through September 2018. The meetings had strong attendance and participation from the public including City Councilors Jamie Bova and Susan Taylor, State Representative Lauren Carson, and Newport citizens and property owners who conduct a variety of short term rental businesses. Attendance also included members of the public who opposed short term rentals due to the surge of Airbnb in their neighborhoods. STRIG also received written communications from host platform Airbnb and residents and/or property owners who could not attend meetings.

GOAL:

The Group's Goal is to quantify the impact of Short Term Rentals (STR) on the city, its neighborhoods and stakeholders, and to draft a more concise policy with the goal of providing guidance to the city on rules and enforcement of Short Term Rental properties.

IMPACT STATEMENT:

Over the course of seven meetings, STRIG heard the following concerns from residents, business owners and stakeholders. A few themes consistently arose throughout the meetings;

1: Airdna.co data dated July 2018

2: Quoted from Airbnb Letter to STRIG dated July 25th 2018

3: Guest House Registration List Dated July 1 2018 provided by the City Clerk's Office

4: City of Newport Comp Plan, data 2014

5: Compiled Noise Violation Data

<ul style="list-style-type: none"> • Clear rules and policy between all departments 	<ul style="list-style-type: none"> • A clear registration process 	<ul style="list-style-type: none"> • Neighborhood Fabric
<ul style="list-style-type: none"> • Noise 	<ul style="list-style-type: none"> • Unregistered STRs 	<ul style="list-style-type: none"> • Housing Market
<ul style="list-style-type: none"> • Safety for guests & neighbors 	<ul style="list-style-type: none"> • Ability to maintain residence 	<ul style="list-style-type: none"> • Parking
<ul style="list-style-type: none"> • Dark houses 	<ul style="list-style-type: none"> • Clear Regulations 	<ul style="list-style-type: none"> • Enforcement Procedure

ECONOMIC GROWTH AND TAX REVENUE

Over the past few years Airbnb as well as other hosting platforms have generated substantial revenue for the state, city and the city's residents even while Newport's hotels continue to experience revenue growth and increased occupancy rates.¹

Of the revenue generated from the 4,070 nights booked at 325 different properties in 2017 as well as the 7,440 nights booked YTD in 2018 at 441 properties¹, 7% went to the state as a sales tax and 1% went to the City of Newport as a Hotel Tax. A 6% room tax remits to the state as well for room shares, renting out a single room in your own home. Airbnb alone has remitted over \$3,500,000 in taxes to the State of RI since 2015 including over \$360,000 remitted to the city of Newport as of March 2018.²

As of July 1st 2018 there were a total of 340 Guest House Registrations comprised of 2,858 rooms able to accommodate up to 6,418 guests. Of those Registrations, 281 were for 5 bedrooms or less and accounted for 462 of the rooms available for rent, or only 16.16% of the total Registered Guest House rooms for rent.³ Showing that 5 out of 6 registered guest house rooms are in hotels and other transient facilities.

There is a clear disconnect in the number of advertised STR listings vs Registered Guest Houses. These un-registered units pay their taxes through Airbnb, but skew the data as to the impact on neighborhoods and amount of housing stock actually being used for STRs. According to Airdna.co there are 708 active "Entire Home" listings in Newport showing an extreme disconnect in registered STR vs unregistered.¹

Noise has been an issue in many neighborhoods in Newport for some time, but over the past few years there has been a steady decline on issued noise violations and noise complaints.⁵ This is contrary to the increase in STRs and use of hosting platforms. Rating systems on guests and hosts, integral to most hosting platforms, self-police for guests to be responsible and respectful and for hosts to provide appropriate accommodations. While the guests may be respectful of their surroundings, their increased use of local infrastructure and housing is weighing on neighborhoods.

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EFFECT ON NEWPORT'S HOUSING

STR are adding to the city and state's revenue as well as adding income to local residents but it is also squeezing housing inventory. Newport has a total of 13,170 Residential Dwelling units in the city, of which 57.4% (7,559) are rental units and 13% are seasonal units (1,737)⁴. Registered and unregistered guest houses eat up a share of available rental inventory. According to Airdna.co, in the trailing 12 months leading up to July 2018 there were a total of 708 listings for 1br-4+ br guest houses in Newport.¹ That is 9.36% of all rental inventory in Newport. While STR can help alleviate the dark house effect with occasional guests, it can't be ignored as weighing on the rental market as a whole.

RECOMMENDATIONS;

A few recommendations from STRIG for the city to consider moving forward

SHORT TERM RENTAL ADMINISTRATION OFFICER

A dedicated position within the city for managing, handling, enforcing and registering all Short Term Rentals would easily pay for itself with registration fee revenue. The person in this position could also address many of the day to day concerns and questions that arise regarding Short Term Rentals in the city.

Some of the officer's tasks would include;

- Collecting registration forms and fees
- Policing Illegal Guest Houses by reviewing hosting platforms
- Cross Referencing registration numbers as advertised and registered
- Liaison between The City and hosting platforms for enforcement and policy
- Collecting and following up on neighbor complaints
- Work alongside Host Compliance on letters and notifications to Unregistered Guest Houses
- Work alongside the Municipal Court for enforcing fees
- Work alongside city and state tax office to ensure appropriate revenues are being received
- Onsite visits and walkthroughs

REGISTRATION PROCESS

The registration process for many applicants is quite confusing. A clearer registration process, Guest House Permits and increased communication between departments is recommended.

The Registration Form itself should include the following information;

- Application process should be online.

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- Include a unique registration number attached to the owner and the property, so all departments can search the number (fire, police, city clerk, tax, zoning, etc.)
 - Included with the registration number across all departments is the owner, agent and their contact information and primary place of residence.
- Registration Fee; should be substantially increased to cover cost for enforcement and paperwork between departments. Request city & departments to investigate this cost and make a recommendation on the fee increase.
- "Type" should be expanded to include; Single family, two family, multi-family, guest rooms, mixed use, Bed & Breakfast, Boat
- Questions on property to include;
 - # of Bedrooms (change from "Rooms" to "Bedrooms")
 - Total number of guests allowed and max number advertised
 - # of Parking Spots available to the guests and the owner
 - % allocated for common area if it's a Limited Guest house/guest rooms being rented
- Floor plan required with registration
- Require upfront physical inspection with initial registration, required updating every 5 years or as recommended by the City Fire Marshall
- "Please list all hosting platforms and/or room resellers"
- "Owner's residence address" vs just Owner's Address
- Person attached to the property in the case of an LLC or corporate owned property to be identified.
- Should also include block for cell phone and email address of the owner and the owner agent if one is assigned.

Departments to Approve Registrations should include: Zoning, Building Inspector, Fire Marshall and Tax Collections; similar to current approval process.

Certificate of Registration should be similar to that of a Liquor License; clearly visible to guests and the city. Certificates and Registration form should be clearly delineated with the Owner and Agent name and contact info clearly on display.

Increase Registration Fees significantly to an appropriate amount to compensate for the added work required by the city. The figure should be investigated and recommended by the city.

Special Use Permits are required for all STRs in residential Zones in Newport including R-3, R-10 and R-10A. Special Use Permits to carry with the owner, not the property.

- Owner Occupied is required for residential areas where Special Use Permits are required for STR. Owners are to be present at the time of the rental.

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ENFORCEMENT

Registration Number attached to every Guest House Permit, which is shared between departments and clearly visible on all advertisements.

- If a residence is being advertised for an occupancy of <30 days there must be a registration number included in that advertisement. If it is not the listing ad will be removed. Possible fines imposed for repeat offenders.
- Easier to police which STR are advertising incorrect information
- Easier to police unregistered STRs as they're being advertised
- Can enforce STR regulations without having to catch guests/hosts in the act or exchanging money.
- Easier reference between all departments including building, zoning, police, fire, finance and the city clerk's office.

Neighbor initiated complaints: City to have a procedure in place for any complaints to be filed to the STR Administrator. The complaint form should allow for attachments such as photos and print-outs of the ad. We recommend a single form for all complaints ranging from noise, to trash pick-up and unregistered rentals.

Violation Fine Schedule: Two separate fine schedules are recommended, one for un-registered units and the other for registered units to manage their properties correctly.

- Un-registered Schedule
 - Minimum of \$1,000 for the 1st offense
 - Increasing fee schedule if continued to advertise illegally or rent without registration
 - Fines and penalties increases to the max allowable limit by law to deter repeat offenders
- Registered Units
 - Three Strike Policy: If you have 3 strikes for violations such as noise complaints, mismanagement of the property, taking out trash etc, registration revoked for the remaining of the year
 - Start fines small and increase: \$250 first Offense, \$500 second, \$1,000 3rd Plus revoked Registration
 - Habitual offenders lose right to register in perpetuity

ZONING CODE

A few recommended changes to existing code to help alleviate inconsistencies and add clarity.

Limited Guest House: A rental of two guest bedrooms or less, to no more than a total of four persons in the owner's dwelling unit. Only one such use shall be permitted on a lot.

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Guest Houses by Special Use Permit: Owner occupied required with these registrations. If an Onsite Resident Manager is used instead of an Owner, the Onsite Resident Manager should have a vested interest in the Guest House and participate as a Stakeholder.

Onsite Resident Manager: Living on the property in which a Guest House is operated either in the same dwelling unit or adjacent to. Must have a medium of compensation and a vested interest in the Guest House's operation.

Guest Houses by Right: In business zones, such as GB, LB, WFD & CI, the Owners are running a business, where the services of the business is a Short Term Rental. They should operate their businesses responsibly as required by the city and state. Being onsite is not a requirement, but they should have an owner or manager within an hour of the site in the event of an emergency.

CONCLUSION

Short Term Rentals have a positive impact on the city in many ways including added industry, increased tax revenue, increased investment in the city, added income for local home owners and an avenue for visitors to experience the city in a way a conventional hotel would not offer. As a city that embraces technology and change we should welcome the advent of hosting platforms like Airbnb, VRBO & Home Away with open arms. It is the habitual infringement on existing ordinances that is creating a negative atmosphere and causing disruptions in neighborhoods and the housing market. If ordinances were more strictly enforced it would foster appropriate growth that wouldn't impede on the fabric of our neighborhoods, the livelihoods of neighbors and impair those businesses trying to operate within the law. If the City considers our recommendations and follows through on enforcement and policy we as a group feel the city will be positioned well for the coming century and the changing economic environment.

Thank you for considering our findings.

Sincerely,

Jeff Brooks; Chairman of the Short Term Rental Investigatory Group
Melissa Pattavina; Planning Board Chairperson

STRIG Members: Wayne Clark, Robert Dufault, Turner Scott, Terry Munnelly, Rebecca McSweeney, Liam Barry

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Guest House Registrations Dated July 1 2018			
Total Rooms	2858	Count of # of Registrations by Size	
Total Rooms>5	2216	Guest Houses with 1br	70
Total Rooms =<5	642	Guest Houses with 2br	130
		Guest Houses with 3br	39
Total Guests	6418	Guest Houses with 4br	15
Total Guests >5 rooms	5251	Guest Houses with 5br	27
Total Guests =<5 Rooms	1167	Guest Houses with >5br	59
Total Registrations;	340	Total Guest House Registrations	340

Percentage of Guests in Guest	Total Guest Houses <=5br	281
Houses with <= 5bedrooms	18.2% Percentage of Registrations in	
Registrations in Residential zones	174 Residential Zones	51.2%

Total Registrations as provided by the City Clerk's office on July 1st of 2018. Includes all Transient Housing Registrations

Compiled Seasonal Noise Complaints

start	end	total days	total complaints
Sun 05/24/15	Thu 09/17/15	116	452
Sun 05/21/17	Sun 09/17/17	119	354

Street / Area	2015	2017	% Change
Berkeley Avenue	21	1	-95%
Grafton Street	10	2	-80%
Annandale Road	9	2	-78%
Sylvan Street	9	2	-78%
Middleton Street	8	4	-50%
Thames Street	45	30	-33%
Festival Field	36	24	-33%
Waites Wharf	27	25	-7%
Hammond Street	4	4	0%
Atlantic Street	2	2	0%
Bellevue Avenue	4	12	200%
Hotel Viking	0	7	

Noise Complaints gathered from the Newport Police Department for dates between August 1st 2014 through August 1st 2018. Data was filtered to only consider between Mid May and Mid September complaints to only compare summer noise activity.

Monthly Trend

Month of July 2018

Newport - Rhode Island

Newport & Surrounding Communities Occupancy, Rates, Revenue

Last Twelve Months July 2018 vs Last Twelve Months July 2017

	Available Listings			Booked Listings			Occ %		ADR \$		RevPAR \$	
	2017	2018	% Chg	2017	2018	% Chg	2017	2018	2017	2018	2017	2018
Entire Place	595	708	19.0%	517	637	23.2%	32%	36%	412	416	133	150
Private Room	246	308	25.2%	222	277	24.8%	32%	33%	181	190	58	63
Shared Room	2	2	0.0%	1	1	0.0%	34%	1%	39	39	13	0
Newport - Rhode Island (Entire Place Only)												
Hotel Comp (Studio and 1 bedroom)	149	187	25.5%	134	170	26.9%	38%	45%	248	244	93	109
Studio	14	21	50.0%	12	20	66.7%	30%	33%	267	190	81	63
1 bedroom	135	166	23.0%	122	150	23.0%	38%	47%	246	250	94	116
2 bedrooms	241	269	11.6%	209	242	15.8%	35%	39%	359	365	127	141
3 bedrooms	119	156	31.1%	103	145	40.8%	26%	27%	486	487	124	132
4+ bedrooms	86	96	11.6%	71	80	12.7%	27%	30%	822	875	223	266
Submarkets - Entire Place Properties Only												
Zip Code - 02842	177	237	33.9%	156	218	39.7%	44%	47%	506	481	221	224
Zip Code - 02871	64	89	39.1%	57	84	47.4%	46%	45%	405	394	186	178
Zip Code - 02809	40	50	25.0%	36	47	30.6%	43%	49%	255	231	111	114
Zip Code - 02835	78	94	20.5%	67	86	28.4%	42%	49%	361	303	153	148
Zip Code - 02878	24	32	33.3%	20	30	50.0%	49%	52%	275	312	134	161
Zip Code - 02837	42	63	50.0%	36	54	50.0%	43%	44%	256	287	111	128

This report prepared for Discover Newport, Rhode Island

RevPAR: Revenue Per Available Room

ADR: Average Daily Rates

Monthly Trend Plus

Month of July 2018

Newport - Rhode Island

Entire Place
Private Room
Shared Room

Newport - Rhode Island (Entire Place Only)

Hotel Comp (Studio and 1 bedroom)

Studio
1 bedroom
2 bedrooms
3 bedrooms
4+ bedrooms

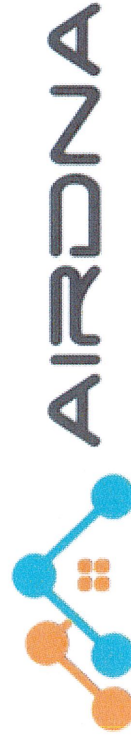
Submarkets - Entire Place Properties Only

Zip Code - 02842
Zip Code - 02871
Zip Code - 02809
Zip Code - 02835
Zip Code - 02878
Zip Code - 02837

Last Twelve Months July 2018 vs Last Twelve Months July 2017

	Listing Nights Available (Supply)			Listing Nights Booked (Demand)			Revenue \$		
	2017	2018	% Chg	2017	2018	% Chg	2017	2018	% Chg
Entire Place	82,668	116,053	40.4%	26,631	41,814	57.0%	10,968,700	17,379,800	58.4%
Private Room	39,935	53,652	34.3%	12,737	17,811	39.8%	2,308,470	3,383,000	46.5%
Shared Room	363	282	-22.3%	125	2	-98.4%	4,895	78	-98.4%
Hotel Comp (Studio and 1 bedroom)	20,209	28,308	40.1%	7,621	12,666	66.2%	1,887,420	3,086,650	63.5%
Studio	1,576	3,894	147.1%	476	1,297	172.5%	127,111	245,947	93.5%
1 bedroom	18,633	24,414	31.0%	7,145	11,369	59.1%	1,760,310	2,840,710	61.4%
2 bedrooms	29,331	42,024	43.3%	10,362	16,198	56.3%	3,723,140	5,905,310	58.6%
3 bedrooms	20,419	28,069	37.5%	5,207	7,590	45.8%	2,530,290	3,699,610	46.2%
4+ bedrooms	12,709	17,652	38.9%	3,441	5,360	55.8%	2,827,860	4,688,110	65.8%
Zip Code - 02842	26,837	43,494	62.1%	7,945	14,488	82.4%	4,019,130	6,968,810	73.4%
Zip Code - 02871	9,578	15,092	57.6%	2,964	4,727	59.5%	1,199,810	1,862,860	55.3%
Zip Code - 02809	6,225	8,556	37.4%	1,873	3,146	68.0%	478,421	726,371	51.8%
Zip Code - 02835	10,940	15,485	41.5%	2,855	5,195	82.0%	1,030,130	1,575,730	53.0%
Zip Code - 02878	4,106	6,402	55.9%	1,329	2,279	71.5%	365,364	710,831	94.6%
Zip Code - 02837	7,173	10,262	43.1%	1,679	2,781	65.6%	429,199	798,987	86.2%

This report prepared for Discover Newport, Rhode Island



Monthly Comp

Month of July 2018

Newport - Rhode Island

Entire Place Properties Only

Newport - Rhode Island

Annapolis - Maryland
Myrtle Beach - South Carolina
Savannah - Georgia
Charleston - South Carolina
Alexandria - Virginia
Barrington - Rhode Island
Warren - Rhode Island
Cape May - New Jersey
Chatham - Massachusetts
Nantucket - Massachusetts

Newport vs Compareable Communities Occupancy, Rates, Revenue

Entire Homes

Last Twelve Months July 2018 vs Last Twelve Months July 2017

	Available Listings			Booked Listings			Occ %		ADR \$		RevPAR \$	
	2017	2018	% Chg	2017	2018	% Chg	2017	2018	2017	2018	2017	2018
	595	708	19.0%	517	637	23.2%	32%	36%	412	416	133	150
	443	581	31.2%	371	513	38.3%	31%	34%	314	320	98	107
	2,280	3,483	52.8%	2,073	3,205	54.6%	37%	38%	249	238	91	91
	997	1,524	52.9%	933	1,420	52.2%	47%	49%	248	230	117	112
	1,487	2,422	62.9%	1,313	2,204	67.9%	49%	51%	276	281	136	145
	727	737	1.4%	581	613	5.5%	44%	44%	176	163	78	71
	24	32	33.3%	21	31	47.6%	34%	37%	293	292	99	107
	12	12	0.0%	10	12	20.0%	35%	49%	161	144	56	71
	222	333	50.0%	195	307	57.4%	33%	37%	307	325	100	121
	195	353	81.0%	172	293	70.3%	25%	19%	443	414	111	77
	495	594	20.0%	422	542	28.4%	23%	25%	771	824	180	209

This report prepared for Discover Newport, Rhode Island

RevPAR: Revenue Per Available Room

ADR: Average Daily Rates

Only includes Entire Homes



Newport vs Compareable Communities Occupancy, Rates, Revenue

Total Active Rentals

Monthly Comp

Month of July 2018

Newport - Rhode Island

All Properties

Newport - Rhode Island

Annapolis - Maryland

Myrtle Beach - South Carolina

Savannah - Georgia

Charleston - South Carolina

Alexandria - Virginia

Barrington - Rhode Island

Warren - Rhode Island

Cape May - New Jersey

Chatham - Massachusetts

Nantucket - Massachusetts

Last Twelve Months July 2018 vs Last Twelve Months July 2017

	Available Listings			Booked Listings			Occ %			ADR \$			RevPAR \$		
	2017	2018	% Chg	2017	2018	% Chg	2017	2018	% Chg	2017	2018	% Chg	2017	2018	% Chg
	845	1,019	20.6%	742	916	23.5%	32%	35%	9.2%	336	348	3.5%	108	122	13.1%
	609	804	32.0%	519	706	36.0%	31%	33%	4.7%	247	260	5.2%	78	85	10.1%
	2,513	3,945	57.0%	2,269	3,597	58.5%	37%	38%	2.8%	239	225	-5.7%	88	86	-3.1%
	1,436	2,040	42.1%	1,327	1,893	42.7%	48%	50%	2.5%	208	198	-4.9%	101	98	-2.5%
	2,137	3,444	61.2%	1,882	3,112	65.4%	49%	50%	1.7%	226	238	5.1%	110	118	6.9%
	1,405	1,402	-0.2%	1,133	1,159	2.3%	40%	40%	0.0%	122	117	-4.1%	48	47	-2.2%
	31	41	32.3%	28	40	42.9%	31%	38%	20.1%	241	245	1.8%	75	92	22.3%
	17	21	23.5%	13	19	46.2%	35%	43%	24.1%	152	138	-9.1%	53	59	12.7%
	276	405	46.7%	247	377	52.6%	34%	38%	12.2%	276	296	7.4%	94	113	20.5%
	212	395	86.3%	188	331	76.1%	25%	19%	-24.9%	419	388	-7.4%	103	72	-30.5%
	670	759	13.3%	579	679	17.3%	24%	25%	1.2%	623	717	15.1%	152	177	16.5%

This report prepared for Discover Newport, Rhode Island

RevPAR: Revenue Per Available Room

ADR: Average Daily Rates

Includes Entire homes, shared rooms, private rooms



Monthly Comp Plus

Month of July 2018

Newport - Rhode Island

Entire Place Properties Only

Newport - Rhode Island

Annapolis - Maryland

Myrtle Beach - South Carolina

Savannah - Georgia

Charleston - South Carolina

Alexandria - Virginia

Barrington - Rhode Island

Warren - Rhode Island

Cape May - New Jersey

Chatham - Massachusetts

Nantucket - Massachusetts

Newport & Surrounding Communities Revenue, Supply & Demand - Nightly

Last Twelve Months July 2018 vs Last Twelve Months July 2017

	Listing Nights Available (Supply)			Listing Nights Booked (Demand)			Revenue \$		
	2017	2018	% Chg	2017	2018	% Chg	2017	2018	% Chg
	82,668	116,053	40.4%	26,631	41,814	57.0%	10,968,700	17,379,800	58.4%
	70,305	100,914	43.5%	21,851	33,810	54.7%	6,869,360	10,836,700	57.8%
	383,760	565,245	47.3%	140,171	214,927	53.3%	34,952,100	51,181,700	46.4%
	198,202	319,094	61.0%	93,716	155,487	65.9%	23,235,800	35,821,100	54.2%
	260,871	455,328	74.5%	128,557	234,151	82.1%	35,501,200	65,838,900	85.5%
	77,714	102,522	31.9%	34,424	44,871	30.3%	6,066,140	7,313,240	20.6%
	3,700	4,303	16.3%	1,253	1,580	26.1%	367,280	460,872	25.5%
	2,083	2,226	6.9%	723	1,100	52.1%	116,549	158,855	36.3%
	38,686	65,382	69.0%	12,636	24,286	92.2%	3,876,900	7,884,630	103.4%
	31,495	57,698	83.2%	7,913	10,691	35.1%	3,505,300	4,424,830	26.2%
	76,000	105,100	38.3%	17,710	26,612	50.3%	13,654,100	21,921,400	60.5%

This report prepared for Discover Newport, Rhode Island



Monthly Comp Plus

Month of July 2018

Newport - Rhode Island

All Properties

Newport - Rhode Island

Annapolis - Maryland

Myrtle Beach - South Carolina

Savannah - Georgia

Charleston - South Carolina

Alexandria - Virginia

Barrington - Rhode Island

Warren - Rhode Island

Cape May - New Jersey

Chatham - Massachusetts

Nantucket - Massachusetts

Newport & Surrounding Communities Revenue, Supply & Demand - Nightly

Last Twelve Months July 2018 vs Last Twelve Months July 2017

	Listing Nights Available (Supply)			Listing Nights Booked (Demand)			Revenue \$		
	2017	2018	% Chg	2017	2018	% Chg	2017	2018	% Chg
	123,021	170,000	38.2%	39,520	59,638	50.9%	13,290,200	20,766,200	56.3%
	99,420	140,010	40.8%	31,245	46,062	47.4%	7,715,910	11,964,800	55.1%
	411,133	637,721	55.1%	152,321	242,804	59.4%	36,382,800	54,710,000	50.4%
	262,451	409,333	56.0%	127,066	203,072	59.8%	26,453,200	40,215,300	52.0%
	358,611	617,449	72.2%	175,297	306,869	75.1%	39,624,100	72,927,200	84.0%
	168,652	200,375	18.8%	66,845	80,989	21.2%	8,173,520	9,499,280	16.2%
	5,372	5,607	4.4%	1,679	2,104	25.3%	403,840	515,402	27.6%
	2,368	3,000	26.7%	824	1,295	57.2%	124,931	178,397	42.8%
	46,899	77,853	66.0%	15,921	29,661	86.3%	4,393,900	8,790,970	100.1%
	34,929	64,381	84.3%	8,618	11,927	38.4%	3,613,070	4,629,980	28.1%
	103,348	133,206	28.9%	25,141	32,802	30.5%	15,667,600	23,527,600	50.2%

This report prepared for Discover Newport, Rhode Island





Day of Week

MONTH OF JULY 2018

Newport - Rhode Island

Entire Place Properties Only

Vacancy Rates & Revenues Weekly; Entire Place

Occupancy (%)

	Sun	Mon	Tue	Wed	Thu	Fri	Sat	Total Month
Aug - 2017	57%	49%	48%	48%	59%	85%	86%	61%
Sep - 2017	51%	36%	34%	38%	49%	71%	74%	52%
Oct - 2017	49%	38%	34%	37%	44%	64%	70%	47%
Nov - 2017	39%	34%	36%	36%	41%	55%	54%	42%
Dec - 2017	43%	36%	37%	36%	36%	42%	50%	40%
Jan - 2018	25%	29%	24%	26%	25%	34%	36%	28%
Feb - 2018	31%	20%	21%	23%	22%	40%	46%	29%
Mar - 2018	26%	21%	23%	25%	27%	47%	50%	32%
Apr - 2018	28%	25%	24%	26%	30%	59%	62%	36%
May - 2018	52%	36%	33%	33%	41%	66%	72%	46%
Jun - 2018	46%	38%	38%	40%	50%	70%	74%	52%
Jul - 2018	59%	50%	52%	55%	64%	81%	83%	63%
Last Twelve Months	33%	26%	26%	27%	32%	48%	50%	35%

ADR (\$)

	Sun	Mon	Tue	Wed	Thu	Fri	Sat	Total Month
Aug - 2017	408	372	364	376	414	524	531	439
Sep - 2017	430	383	366	376	390	483	489	436
Oct - 2017	349	333	330	328	342	419	424	368
Nov - 2017	330	329	337	338	336	361	360	344
Dec - 2017	345	334	334	325	325	356	357	342
Jan - 2018	318	337	346	349	342	356	347	343
Feb - 2018	251	223	249	260	249	280	304	267
Mar - 2018	300	273	268	266	258	361	361	316
Apr - 2018	326	315	316	314	311	418	419	363
May - 2018	433	394	391	386	422	502	504	444
Jun - 2018	390	343	355	372	407	490	499	431
Jul - 2018	449	405	410	421	450	560	562	474
Last Twelve Months	394	362	363	367	391	473	476	416

RevPAR (\$)

	Sun	Mon	Tue	Wed	Thu	Fri	Sat	Total Month
Aug - 2017	228	182	176	182	242	435	447	264
Sep - 2017	216	133	119	138	190	353	370	227
Oct - 2017	152	111	100	108	137	251	277	158
Nov - 2017	95	82	88	87	99	147	145	105
Dec - 2017	98	78	81	76	79	101	117	92
Jan - 2018	30	41	35	38	37	52	55	41
Feb - 2018	33	19	22	24	21	45	58	32
Mar - 2018	46	32	35	37	38	104	112	60
Apr - 2018	65	55	52	58	66	186	196	94
May - 2018	205	125	112	112	156	307	336	187
Jun - 2018	167	122	127	138	193	326	353	213
Jul - 2018	265	204	211	230	290	454	465	297
Total Year	150	111	111	114	146	257	273	166

Day of Week Plus

Month of July 2018

Newport - Rhode Island

Entire Place Properties Only



Supply, Demand & Revenue Weekly; Entire Place

Supply

	Sun	Mon	Tue	Wed	Thu	Fri	Sat	Total Month
Aug - 2017	1,504	1,527	1,912	1,908	1,911	1,542	1,555	11,859
Sep - 2017	1,475	1,469	1,483	1,467	1,465	1,861	1,855	11,075
Oct - 2017	1,633	1,628	1,628	1,312	1,304	1,308	1,305	10,118
Nov - 2017	1,230	1,235	1,229	1,534	1,542	1,239	1,231	9,240
Dec - 2017	1,470	1,178	1,173	1,167	1,164	1,483	1,484	9,119
Jan - 2018	998	1,285	1,292	1,279	1,039	1,024	1,000	7,917
Feb - 2018	870	865	871	858	873	873	873	6,083
Mar - 2018	959	961	960	960	1,187	1,185	1,187	7,399
Apr - 2018	1,325	1,321	1,055	1,045	1,038	1,047	1,052	7,883
May - 2018	1,390	1,395	1,748	1,752	1,753	1,404	1,404	10,846
Jun - 2018	1,542	1,547	1,552	1,537	1,531	1,948	1,949	11,606
Jul - 2018	2,074	2,076	2,058	1,651	1,665	1,690	1,694	12,908
Total Year	151,853	152,242	156,133	151,956	151,943	152,929	152,887	1,069,943

Demand

	Sun	Mon	Tue	Wed	Thu	Fri	Sat	Total Month
Aug - 2017	771	681	840	837	1,028	1,194	1,211	6,562
Sep - 2017	675	468	447	491	631	1,178	1,222	5,112
Oct - 2017	640	495	448	397	467	676	737	3,860
Nov - 2017	296	258	274	346	393	427	416	2,410
Dec - 2017	353	236	244	234	235	353	418	2,073
Jan - 2018	106	161	132	143	115	151	158	966
Feb - 2018	98	61	67	72	68	125	147	638
Mar - 2018	132	106	118	128	163	297	318	1,262
Apr - 2018	250	222	167	182	207	416	439	1,883
May - 2018	624	430	485	495	611	787	869	4,301
Jun - 2018	612	512	518	533	669	1,195	1,261	5,300
Jul - 2018	1,126	960	977	830	991	1,264	1,299	7,447
Total Year	5,683	4,590	4,717	4,688	5,578	8,063	8,495	41,814

Revenue (\$)

	Sun	Mon	Tue	Wed	Thu	Fri	Sat	Total Month
Aug - 2017	314,246	253,081	305,976	314,358	425,972	625,917	642,636	2,882,186
Sep - 2017	290,348	179,079	163,654	184,538	246,243	569,231	597,346	2,230,439
Oct - 2017	223,494	165,012	147,820	130,284	159,548	283,363	312,489	1,422,010
Nov - 2017	97,712	84,934	92,306	117,008	132,142	154,092	149,964	828,158
Dec - 2017	121,633	78,861	81,592	75,974	76,403	125,603	149,279	709,345
Jan - 2018	33,683	54,252	45,676	49,850	39,379	53,686	54,801	331,327
Feb - 2018	24,572	13,623	16,692	18,699	16,939	35,003	44,674	170,202
Mar - 2018	39,643	28,945	31,618	33,987	41,979	107,299	114,766	398,237
Apr - 2018	81,618	69,903	52,855	57,160	64,458	173,913	183,903	683,810
May - 2018	269,997	169,309	189,449	191,287	257,788	395,230	437,856	1,910,916
Jun - 2018	238,634	175,768	184,102	198,095	272,194	585,509	628,777	2,283,079
Jul - 2018	505,477	389,138	400,637	349,346	445,828	708,371	730,661	3,529,458
Last Twelve Months	2,241,057	1,661,905	1,712,377	1,720,586	2,178,873	3,817,217	4,047,152	17,379,167



Yearly Trend

Yearly Data; Entire Place

Month of July 2018

Newport - Rhode Island

Entire Place Properties Only

Occupancy (%)

Last Twelve Months (LTM)

	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul
LTM Ending Jul 2018	61%	52%	47%	42%	40%	28%	29%	32%	36%	46%	52%	63%
LTM Ending Jul 2017	56%	47%	36%	36%	29%	26%	29%	27%	37%	42%	49%	64%
Percent Change	8%	10%	31%	16%	41%	9%	-2%	19%	-3%	11%	7%	-2%

ADR (\$)

Last Twelve Months (LTM)

	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul
LTM Ending Jul 2018	439.25	436.32	388.41	343.66	342.24	342.99	266.79	315.60	363.17	444.32	430.75	473.95
LTM Ending Jul 2017	413.77	407.51	354.69	321.62	317.31	259.37	319.02	377.28	385.01	425.42	440.08	464.31
Percent Change	6%	7%	4%	7%	8%	32%	-16%	-16%	-6%	4%	-2%	2%

RevPAR (\$)

Last Twelve Months (LTM)

	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul
LTM Ending Jul 2018	268.18	226.53	173.87	144.19	138.24	96.26	77.02	102.36	129.69	205.73	224.66	296.59
LTM Ending Jul 2017	233.24	192.36	127.79	116.56	90.77	66.59	93.88	103.18	141.70	178.09	214.00	295.22
Percent Change	15%	18%	36%	24%	52%	45%	-18%	-1%	-8%	16%	5%	0%

Supply

Last Twelve Months (LTM)

	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul
LTM Ending Jul 2018	11,859	11,075	10,118	9,240	9,119	7,917	6,083	7,399	7,883	10,846	11,606	12,908
LTM Ending Jul 2017	6,148	6,195	6,804	6,267	5,927	5,353	4,642	5,534	5,727	8,373	10,019	11,679
Percent Change	93%	79%	49%	47%	54%	48%	31%	34%	38%	30%	16%	11%

Demand

Last Twelve Months (LTM)

	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul
LTM Ending Jul 2018	6,562	5,112	3,860	2,410	2,073	966	638	1,262	1,883	4,301	5,300	7,447
LTM Ending Jul 2017	3,274	2,609	1,946	1,118	817	542	603	821	1,428	2,770	4,070	6,633
Percent Change	100%	96%	98%	116%	154%	78%	6%	54%	32%	55%	30%	12%

Revenue

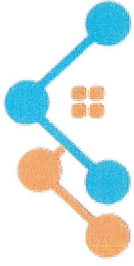
Last Twelve Months (LTM)

	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul
LTM Ending Jul 2018	2,882,370	2,230,440	1,422,060	828,213	709,454	331,329	170,211	398,285	683,845	1,911,000	2,282,990	3,529,470
LTM Ending Jul 2017	1,354,680	1,063,190	690,217	359,576	259,239	140,577	192,369	309,747	549,788	1,178,410	1,791,140	3,079,760
Percent Change	113%	110%	106%	130%	174%	136%	-12%	29%	24%	62%	27%	15%

All these are for Entire Place

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This report prepared for Discover Newport, Rhode Island



AIRDNA

Monthly Data; All Properties

Month of July 2018

Newport - Rhode Island

All Properties

Occupancy (%)

	Last Twelve Months (LTM)											
	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul
LTM Ending Jul 2018	59%	51%	44%	40%	38%	27%	28%	32%	36%	45%	52%	61%
LTM Ending Jul 2017	54%	48%	36%	35%	28%	26%	31%	28%	39%	42%	47%	61%
Percent Change	8%	6%	20%	15%	38%	3%	-9%	11%	-6%	7%	10%	0%

ADR (\$)

	Last Twelve Months (LTM)											
	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul
LTM Ending Jul 2018	372.52	361.22	314.02	294.00	295.84	291.80	229.42	260.99	294.56	368.89	358.27	397.68
LTM Ending Jul 2017	336.74	321.65	283.25	269.95	266.01	221.38	257.23	294.60	301.77	342.13	369.43	390.61
Percent Change	11%	12%	11%	9%	11%	32%	-11%	-11%	-2%	8%	-3%	2%

RevPAR (\$)

	Last Twelve Months (LTM)											
	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul
LTM Ending Jul 2018	218.92	183.39	136.75	117.01	113.44	77.46	63.97	84.16	107.44	164.35	185.19	241.01
LTM Ending Jul 2017	183.33	154.32	103.07	93.20	73.88	57.02	78.98	85.56	116.54	142.90	174.20	236.66
Percent Change	19%	19%	33%	26%	54%	36%	-19%	-2%	-8%	15%	6%	2%

Supply

	Last Twelve Months (LTM)											
	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul
LTM Ending Jul 2018	16,951	16,141	15,350	13,421	13,062	11,440	9,143	11,139	11,741	15,992	16,988	18,632
LTM Ending Jul 2017	9,691	9,710	10,468	9,420	8,885	7,989	6,883	8,223	8,484	12,153	14,278	16,837
Percent Change	75%	66%	47%	42%	47%	43%	33%	35%	38%	32%	19%	11%

Demand

	Last Twelve Months (LTM)											
	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul
LTM Ending Jul 2018	9,181	7,389	5,356	3,376	2,867	1,364	979	2,020	2,892	6,108	7,637	10,469
LTM Ending Jul 2017	4,963	4,262	3,142	1,641	1,202	827	934	1,232	2,211	4,133	5,700	9,273
Percent Change	85%	73%	70%	106%	139%	65%	5%	64%	31%	48%	34%	13%

Revenue

	Last Twelve Months (LTM)											
	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul
LTM Ending Jul 2018	3,420,120	2,669,030	1,681,890	992,558	848,185	398,010	224,599	527,205	851,872	2,253,180	2,736,110	4,163,270
LTM Ending Jul 2017	1,671,220	1,370,860	889,985	442,980	319,748	183,081	240,254	362,944	667,219	1,414,040	2,105,730	3,622,110
Percent Change	105%	95%	89%	124%	165%	117%	-7%	45%	28%	59%	30%	15%

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LTM: Last Twelve Months

This report prepared for Discover Newport, Rhode Island

Montgomery McFate
18 Rhode Island Ave
Newport RI 02840

Christine O'Grady
City Planner
City Hall
43 Broadway
Newport RI 02840

26 October 2018

Dear Christine,

On behalf of the 30+ litigants who are challenging the City of Newport's zoning restriction and building code interpretations concerning short term rentals, we propose the following ordinance for regulating short term rentals in Newport.

I would be happy to speak at the next planning meeting should your schedule permit it.

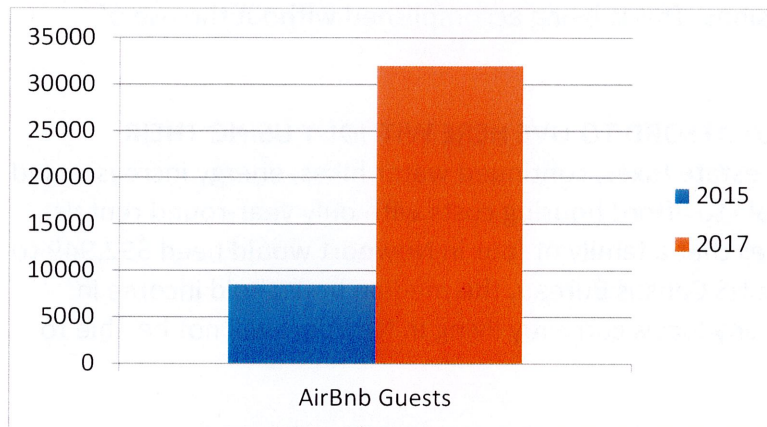
Warm regards,

Montgomery

Montgomery McFate, PhD, JD

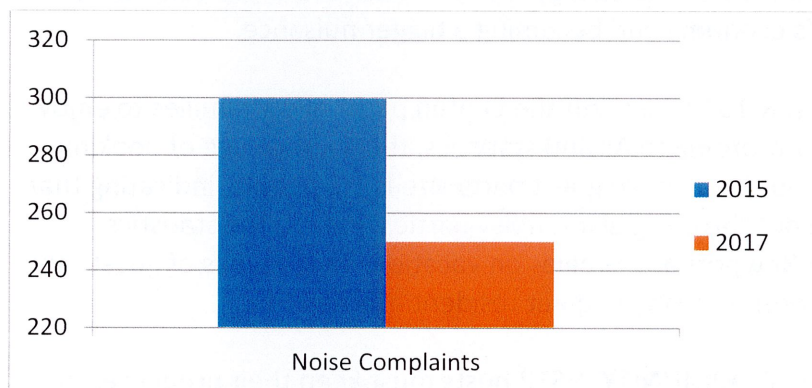
1. Purpose & Findings:

ECONOMIC IMPACT. Home-share Short-Term Rentals (HSTR) for a period of 30-days or less have been crucial to the economy in Newport, RI over the past five years. In 2017, for example, Newport HSTR hosts welcomed 35,000 guests and earned \$8.1 million dollars. Each of these guests spent money at local businesses (including restaurants, taxi services, retail shops, grocery stores and tourist attractions).



- Source : Andrew Kalloch of AirBnb

NO PROOF OF ADVERSE NEIGHBORHOOD IMPACT. There have been no bona fide studies which would support the assumption that inhabitants of short term rental units negatively impact the quality of neighborhoods/towns/cities. In fact, as the statistics below from the Newport Police Department indicate that even though the number of HSTR guests has tripled, noise complaints have fallen by more than 50%.



- Source: Noise complaints taken from Newport Police Department
 - 2015 = 05/25/15 – 09/17/15
 - 2017 = 05/21/17 – 09/17/17

HSTR DOES NOT HAVE A NEGATIVE IMPACT ON HOTEL OCCUPANCY. According to Discover Newport, between July 2017 and July 2018 the occupancy rate in Newport hotels went up .08% and the revenue is up 9%.

HSTR PROVIDES FREE ADVERTISING FOR NEWPORT AS A DESTINATION. Newport, RI is an international tourist destination that relies upon tourist revenue. The sharing economy is how this and the next generation will interact. The HSTR platform user is more likely to engage and post on social media, resulting in a free ambassador marketing and engagement program for Newport, RI. On Instagram, the hashtag #newportri has 314,197 posts from people who are from all over the globe. In a small sample size, the average post has approximately 40 likes. That's nearly 12 million global impressions. This is being accomplished without the use of advertising dollars to boost revenue.

MANY NEWPORT RESIDENTS CAN NOT AFFORD TO LIVE HERE WITHOUT USING THEIR PROPERTY FOR HSTR. The rise of real estate taxes, continued water hikes, energy increases and flood zone insurance make it impossible to afford housing costs with only year-round rentals. The Economic Policy Institute estimates that a family of four in Newport would need \$92,949 to live comfortably. Yet, according to the US Census Bureau, the median household income in Newport is \$59,794. Without HSTR, many locals currently living in Newport will not be able to continue living here.

HSTR CAN HELP PREVENT DARK HOUSES. The City of Newport Long-term resident population is decreasing. According to the Newport Comprehensive Land Use Plan: the "population in the City of Newport declined from 26,476 persons in 2000 to 24,340 persons in 2015, an 8% decrease, While the permanent resident population is generally decreasing, the city must plan for influxes in seasonal population." (p. 18) The Newport Comprehensive Land Use Plan predicts a further long-term population decrease of 24% decrease by 2040. If HSTR is not allowed in R-10 zones, the population will continue to decrease as local hosts will be forced to sell their homes due to rising real estate taxes, water and energy rates. These houses will become dark houses, further reducing Newport's economy and becoming a bigger nuisance.

HSTR MAKES SENSE IN R-10 ZONES. R-10 houses "off the beaten path" allow families to enjoy Newport in an affordable manner. According to AirBnB statistics, the average age of booking guests in Newport is 51 years old and the average guest party size is 3.2 people, indicating that most HSTR visitors to Newport are not throwing giant, noisy parties. In fact, the statistics indicate that most HSTR visitors to Newport are families on vacation. These types of guests are ideal for the R-10 zone, since they prefer to stay in quiet residential areas.

HSTR PROPERTIES REINVEST IN THE COMMUNITY. HSTR hosts must keep their properties in the best condition possible in order to achieve favorable ratings and secure bookings. Thus, the extra money they receive from HSTR often goes back into their property. According to AirBnB statistics, the average nation-wide percentage of HSTR income spent on home improvement is 14%. According to AirBnB statistics, Newport hosts earned \$8.1 million from welcoming 35,000 guests in 2017. The money going directly back into property improvement is approximately

\$1,134,000. This results in significant improvement of neighborhood aesthetic and Newport property values (and therefore the City of Newport's tax base).

THE CITY OF NEWPORT CANNOT PROHIBIT HSTR IF TAXES ARE PAID APPROPRIATELY BY THE HOSTING PLATFORM.

Under TITLE 42 (State Affairs and Government), CHAPTER 42-63.1 (Tourism and Development), SECTION 42-63.1-14 (Offering residential units through a hosting platform): "For any residential unit offered for tourist or transient use on a hosting platform that collects and remits applicable sales and hotel taxes in compliance with § 44-18-7.3(b)(4)(i), § 44-18-18, and § 44-18-36.1, cities, towns or municipalities shall not prohibit the owner of such residential unit from offering the unit for tourist or transient use through such hosting platform, or prohibit such hosting platform from providing a person or entity the means to rent, pay for or otherwise reserve a residential unit for tourist or transient use. A hosting platform shall comply with the requirement imposed upon room resellers in § 44-18-7.3(b)(4)(i) and § 44-18-36.1 in order for the prohibition of this section to apply. The division of taxation shall at the request of a city, town, or municipality confirm whether a hosting platform is registered in compliance with § 44-18-7.3(b)(4)(i)." AirBnB is in compliance with this law and has collected and remitted \$3.5 million in taxes to Rhode Island since 2015. Newport has received a 1% local hotel tax on bookings for 30 nights or less, which amounts to approximately \$250,000 per year.

AIRBNB REMITS TAXES TO BOTH THE CITY OF NEWPORT AND THE STATE OF RHODE ISLAND.

The argument that HSTR operators do not remit taxes is false. AirBnB sends 7% to the State of Rhode Island, and 1% to the City of Newport in taxes. In addition, AirBnB provides transaction-level details, including the date listing was booked, the number of nights rented, the total amount of the listing, etc. (However, pursuant to state and federal law (the Stored Communications Act), they do not share the PII of users (such as name, address, telephone number).) According to Host Compliance, 63% of HSTR operators in Newport use AirBnB as a platform, while 34% use Homeaway/VRBO and 3% use Flipkey (although none are currently active). So, the majority of HSTR operators are remitting taxes. It is worth noting that Homeaway/VRBO will collect taxes automatically if requested to do so by the appropriate authorities (<https://help.vrbo.com/articles/What-is-lodging-tax>). The City of Newport and the State of Rhode Island ought to ask Homeaway/VRBO to collect taxes.

THE CITY OF NEWPORT SHOULD CREATE A SHORT TERM RENTAL ADMINISTRATION OFFICER.

Newport ought to consider creating a salaried position(s) of "Short Term Rental Administration Officer" (STRAO). This position can be funded by increasing the registration fee to \$500/rental unit (600 registrations @ \$500/per = \$300,000 in gross revenue). The STRAO(s) would alleviate the zoning officials' burden and empower the citizens by guaranteeing enforcement.

HSTR OWNERS OUGHT TO REMIT MONEY TO DISCOVER NEWPORT. Discover Newport is currently funded by hotels, but ought to receive funds from HSTR operators since they also benefit from the services of Discover Newport. Options for remitting funds ought to be considered.

2. Definitions:

A Home-share Short Term Rental (HSTR) is the rental of a dwelling unit or sleeping unit for less than 30 days.

A dwelling unit is considered a single unit that provides living facilities for one or more persons. Dwelling units include permanent provisions for living, sleeping, eating, cooking and sanitation, thus providing a complete independent living arrangement.

A sleeping unit is a room or space in which people sleep, which can also include permanent provisions for living, eating and either sanitation or kitchen facilities but not both.

3. Registration required:

No owner of a HSTR located within any district shall rent that unit for a short term without a valid HSTR lodging registration.

1. All registrations issued pursuant to this ordinance are subject to the following standard conditions:

- The owner shall, by written or oral agreement, limit overnight, occupancy of the HSTR to a specific number of occupants, with the number of occupants not to exceed that permitted by the provisions of the Newport Municipal Building Code.
- The owner shall use best efforts to ensure that the occupants and/or guests of HSTR do not create unreasonable noise or disturbances, engage in disorderly conduct, or violate provisions of this code or any State Law pertaining to noise, disorderly conduct, the consumption of alcohol, or the use of illegal drugs.
- The owner shall, upon notification that occupants and/or guests of his or her HSTR have created unreasonable noise or disturbances, engaged in disorderly conduct or committed violations of this code or State Law pertaining to noise, disorderly conduct, the consumption of alcohol or the use of illegal drugs, promptly use best efforts to prevent a recurrence of such conduct by those occupants or guests.
- The owner of the HSTR shall use best efforts to insure compliance with all the provisions of the Municipal Code (garbage, refuse, cuttings etc.).
- The Owner shall supply a legible floorplan of all rental units with application.

- The owner of the HSTR shall post a copy of the registration and a copy of the conditions set forth in this section in a conspicuous place within the unit. As well as have a signed city of Newport standard rental contract (to be established for continuity purposes).
 - The owner should report their registration number on all advertisement and/or posting on home-sharing platforms without exception. (Violation defined in section 7 below).
2. The City Council shall have the authority to impose additional standard conditions, applicable to all HSTR's, as necessary to achieve the objectives of this ordinance.
3. The City Council shall have the authority to impose additional conditions on any registration in the event of any violation of the conditions to the registration or the provisions of this ordinance subject to compliance with the procedures as noted in this ordinance.
4. An application for a registration shall be filed with the City Clerk upon forms provided by the City (to be created) and shall contain the following information:
- The name, address and telephone number of the owner of the unit for which the registration is to be issued.
 - The name, address and telephone number of the agent, if any, for the unit.
 - Evidence of a valid business license issued by the City for the separate business of operating HSTR. (Optional if deemed necessary by the City).
 - Acknowledgement of receipt and inspection of a copy of all regulations pertaining to the operation of a HSTR unit.
 - Such other information as the City Clerk deems reasonably necessary to administer this ordinance.
 - \$500 registration fee.
 - Legible floorplan to accompany application for registration.
 - Satisfactory inspection certified by City Fire Department official.

4. Agency:

An owner must retain an agent (agent can be owner) to assist in compliance with the requirements of this ordinance, including, without limitation, the filing of an application for a registration, the management of

the HSTR unit or units, and the signed compliance consent with the conditions to the registration. The registration shall be issued only to the owner of the HSTR lodging unit or units. The owner/agent of the HSTR unit or units is responsible for compliance with the provisions of this ordinance and the failure of an agent/owner to comply with this ordinance shall be deemed non-compliance and, thus, subject to violation enforcement. In the event authorities are called to the HSTR lodging unit, the owner/agent must be able to be onsite within a reasonable amount of time (30 minutes) to answer all questions by the responding authority. Agent/owner emergency contact information is to be posted on the registration certificate (to be posted in a conspicuous place within the unit).

5. Denial of registration:

No application shall be denied unless a registration for the same unit and issued to the same owner has been revoked and/or all required registration information has not been supplied. Additionally, registration(s) granted remain the right of the property and not the homeowner. If the registration was ever revoked for violations received, the property would not be eligible for registration renewal with the current owner in perpetuity. If sold, the property would be eligible for a registration to the new owner (provided that the prior owner does not have any ownership stake whatsoever). This will ensure owner's stake in ensuring the HSTR does not adversely affect the neighbors and/or City.

6. Filing Fee:

An application for a HSTR registration shall be accompanied by a fee established by resolution of the City Council (\$500), provided, however, the fee shall be no greater than necessary to defer the cost incurred by the City in administering the provisions of this chapter.

7. Violations/Penalties/Revocation:

A. Violations. The following conduct shall constitute a violation for which the penalties specified in subsection (B) of this section may be imposed, or the registration revoked:

- The owner/agent, or renter(s) has failed to comply with the standard agreed conditions.
- The owner/agent, or renter(s) has failed to comply with conditions imposed by the City Council pursuant to the agreed provisions.
- The owner/agent, or renter(s) has willfully violated the provisions of this chapter; or
- The owner/agent has failed to pay the transient occupancy tax as required by the agreed provisions. It must be noted that the City/State taxes should be paid by the hosting platform as mandated by state law noted above. (Other taxes or fees not associated to HSTR is not

included as a violation by design. HSTR rental may aid a homeowner in repaying past debt(s) due to the City).

- The owner/agent has not advertised their registration number on any/all solicitation for rental.

B. Penalties. The penalties for violations specified in subsection (A) of this section shall be as follows:

- For the first violation, the penalty shall range from a notice of violation to a fine not to exceed two hundred and fifty dollars (\$250.00);
- For a second violation, the penalty shall range from a fine not to exceed five hundred dollars (\$500.00) to revocation of the registration;
- For a third violation, the penalty shall range from a fine not to exceed one thousand dollars (\$1,000.00) to revocation of the registration; and
- For a fourth violation, the registration shall be revoked in accordance with the agreed provisions. *****This entire subsection can be altered as deemed necessary*****

8. Procedure for Imposing Penalties/Revocation:

Penalties, including a notice of violation, shall be imposed, and registrations shall be revoked, only in the manner provided in this section.

- A. The STRAO (or assigns) shall conduct an investigation whenever he or she has reason to believe that an owner has committed a violation of agreed code. Should the investigation reveal substantial evidence to support a finding that a violation occurred, the STRAO shall issue written notice of intention to impose a penalty and/or revoke the HSTR registration. The written notice shall be served on the owner and/or agent, shall specify the facts, which, in the opinion of STRAO, constitute substantial evidence to establish grounds for imposition of the penalties and/or revocation, and specify that the penalties will be imposed and/or the registration will be revoked within thirty (30) days from the date the notice is given unless the owner and/or agent files, with the City Clerk and before the penalties or revocation becomes effective, a request for hearing before the City Council (or whomever is deemed necessary).

- B. If the owner/agent requests a hearing within the time specified in subsection (A) of this section, the STRAO shall serve written notice on the owner/agent, by written mail, of the date, time and place for the hearing. The hearing shall be scheduled not less than fifteen (15) days, nor more than sixty (60) days, from the date on which notice of the hearing is served by the STRAO. The City Solicitor may preside over the hearing or may designate a hearing officer to take evidence and submit proposed findings and recommendations to the Court (if necessary). The City Council shall impose the penalties or revoke the registration only upon a finding that a violation has been proven by a preponderance of the evidence, and that the penalty or revocation is consistent with the provisions set forth in this ordinance. The hearing shall be conducted according to the rules normally applicable to administrative hearings. The City Council shall render a decision within thirty (30) days of the hearing and the decision shall be final.

9. Fees Not Excessive:

Fees required by this ordinance shall be in addition to any license, permit or fee required under any other category of the City code and/or ordinance. The issuance of any registration pursuant to this ordinance shall not relieve the owner of the obligation to comply with all other provisions of any other ordinance pertaining to the use and occupancy of the HSTR or the property on which it is located.

10. Penalty for operating a HSTR without a registration:

Any person/entity violating the provisions of this ordinance by operating a HSTR lodging unit without a valid registration shall be fined \$2,500 for the first offense and subject to criminal action as deemed necessary by the City. (We would suggest the City works with the State to make it a misdemeanor, and accompanied by another fine, if found to operate a HSTR without a registration upon their second offense). This section needs to impose significant violation, and strict language to dissuade individuals from non-compliance.