



TETON COUNTY, IDAHO AND TETON COUNTY, WYOMING SHORT TERM RENTAL STUDY

CAPSTONE - SPRING 2020



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*Prepared for:
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EXECUTIVE SUMMARY

Introduction

The study area of this report encompasses Teton County, Wyoming and Teton, County Idaho, an area that covers approximately 4,667 square miles. Both counties are premier tourist destinations, attracting thousands of overnight visitors every year. While tourism contributes to the local economy and plays a vital financial role in the area, the influx of visitors also brings unintended consequences to the communities they visit. The desire for affordable and unique accommodations has driven many to utilize short-term rental properties rather than traditional lodging such as hotels, motels and lodges. Property owners within the area have seen short-term rentals (STRs) as an opportunity to capitalize on their properties. As the STR market increases, the impacts of the practice will be amplified in these communities.

The Client organizations for this project are the Jackson Hole Conservation Alliance and the Valley Advocates for Responsible Development and These two organizations are focused on understanding environmental, social and economic issues within the Teton region. The objective of this report is to determine how the STR market has impacted the study area and to provide policy recommendations to mitigate the negative impacts resulting from the rise of vacation rental units.

Existing Conditions

There were approximately 2,575 individual short-term rental properties active within the study area from February 2019 to February 2020. Of these properties, approximately 67%

were located within Teton County, Wyoming, with the remaining 33% located within Teton County, Idaho. The STR market in the study area is subject to seasonal fluctuation. During February of 2020, there were a total of approximately 1,877 active short-term rental properties within the area. Property owners in Idaho are more likely to offer up a single room or shared space within their home for a short-term rental than those in Wyoming, where almost all short-term rentals are entire homes.

Housing Analysis

When comparing the short-term rental properties within the study area to existing housing data, it was found that these rental properties are likely negatively impacting the availability of housing for residents. Approximately 6.9% of the total housing units within Teton County, Wyoming have been converted to use as full time short-term rental properties. This percentage is even higher to the west of the Tetons, where approximately 7.9% of housing units have been operating as full time short-term rentals in the past year.

The average monthly income for a vacation rental within the Wyoming portion of the study area is approximately \$5,791, while the average monthly income earned on the Idaho side is approximately \$2,920. The potential income of these rental properties in both counties is higher than the median rental price and median monthly mortgage payments. These high profits make renting a property to short-term tourists more lucrative compared to renting the properties to long term tenants.

EXECUTIVE SUMMARY



Recommendations

The recommendations for the study area have been summarized below:

Teton County, Idaho

- Include Short-Term Rentals as use in Land Development Code Update
- Require Short-Term Rental Permitting
- Utilize a Third Party Monitoring Company
- Evaluate Need for Code Enforcement Officer

City of Driggs, Idaho and City of Victor, Idaho

- Include Short-Term Rentals as use in Land Development Codes
- Establish a Principal Dwelling Requirement
- Provide Exception for Accessory Dwelling Units
- Require Conditional Use Permits
- Utilize a Third Party Monitoring Company

City of Teton, Idaho

- Monitor Properties for Business Licenses

Teton County, Wyoming

- Require Permitting of Short-Term Rental Properties
- Utilize a Third Party Monitoring Company

Town of Jackson, Wyoming

- Additional short-term rental recommendations for the Town of Jackson have not been deemed necessary at this time.

INTRODUCTION

Problem Statement

Short-term rental properties, often also called STRs or vacation rentals, are commonly listed through web based services such as Airbnb and VRBO. These short-term accommodations can have both beneficial and detrimental effects on the communities they are located in. While these types of rentals provide opportunities to increase revenue and income for the property owners, they may also decrease the available housing stock for permanent or long-term residents. Homes that were once being sold or rented to potential residents may now be rented on a nightly or weekly basis to visiting tourists.

The clients for this project are representatives of the Jackson Hole Conservation Alliance and the Valley Advocates for Responsible Development. These two organizations are concerned with monitoring the impacts of the growing short-term rental business in Teton County, Wyoming and Teton County, Idaho. Based on discussions with representatives of these organizations, there is widespread concern in the area regarding the short-term rentals in the region with little clear policy in place for management and tracking of these properties. The clients are seeking guidance on ways to mitigate negative environmental, social and economic effects of these accommodations on their communities.

Background

Teton County, Idaho and Teton County, Wyoming encompass approximately 4,700 square miles of open space, mountainous landscapes and countless recreation opportunities. The counties are situated along the Teton Mountain Range and are

home to an estimated 35,606 individuals. Approximately 23,464 residents live in Teton County, Wyoming, and approximately 12,142 live in Teton County, Idaho (Census, 2019 estimate). There are six separate municipal governments within the project study area. Each of these jurisdictions have their own rules and regulations in relation to STRs with respect to jurisdictional boundaries.

The region is known for its natural beauty and is home to multiple national parks and national forests which draw large numbers of tourists to the region. In 2017, Teton County, Wyoming saw a total of 1,802,000 overnight visitors. While tourism is a vital economic activity for both of these counties, increasingly larger influxes of overnight visitors risk overwhelming local accommodations. The answer is not as straightforward as building more accommodations; building more hotels creates more jobs, which reduces the availability of affordable housing, and could drive up housing prices even further.

Objectives

The main objectives for this project can be separated into four categories: understanding the existing short-term rental regulations in the region, gaining information on the quantity of these rentals, understanding how these rentals may be affecting the local housing stock and economy, and finally a recommendation of policy changes to help effectively manage the short-term rental industry.

- Overview of Current Regulations
- Survey of Existing Conditions
- Assessment of Impacts
- Recommendation of Policy Changes

INTRODUCTION



Figure 1: Location of Counties

INTRODUCTION

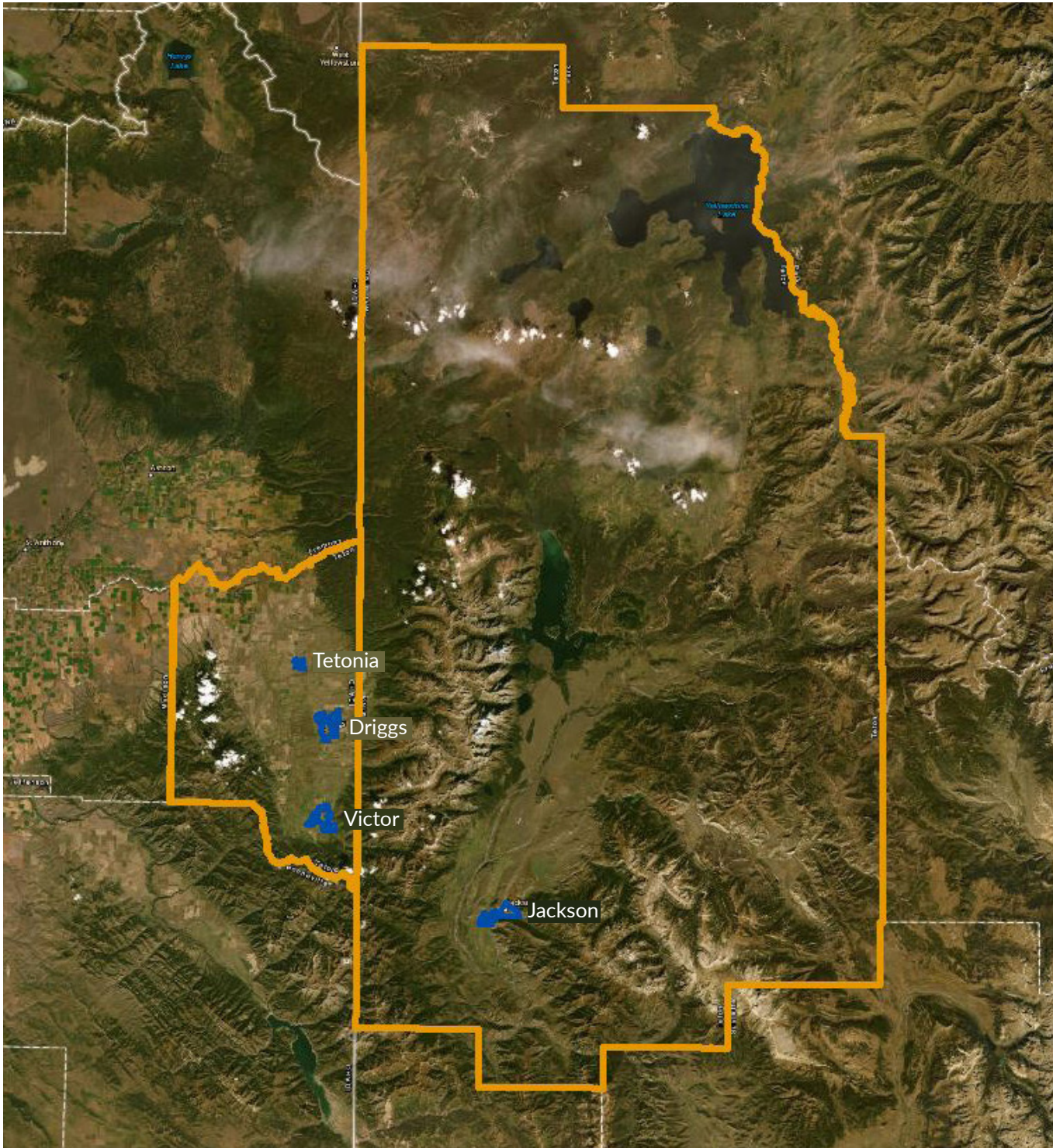


Figure 2: Location of Cities / Towns

INTRODUCTION

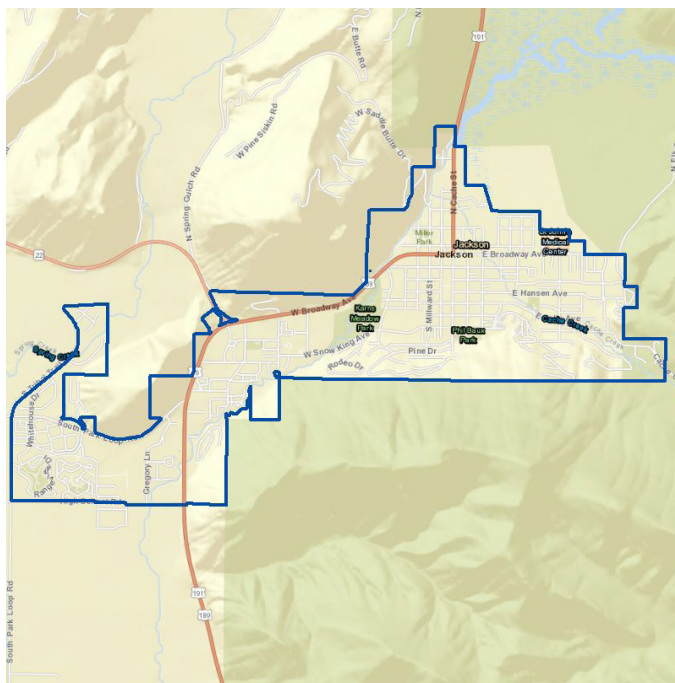


Figure 3: Jackson, WY Boundaries



Figure 4: Teton, ID Boundaries

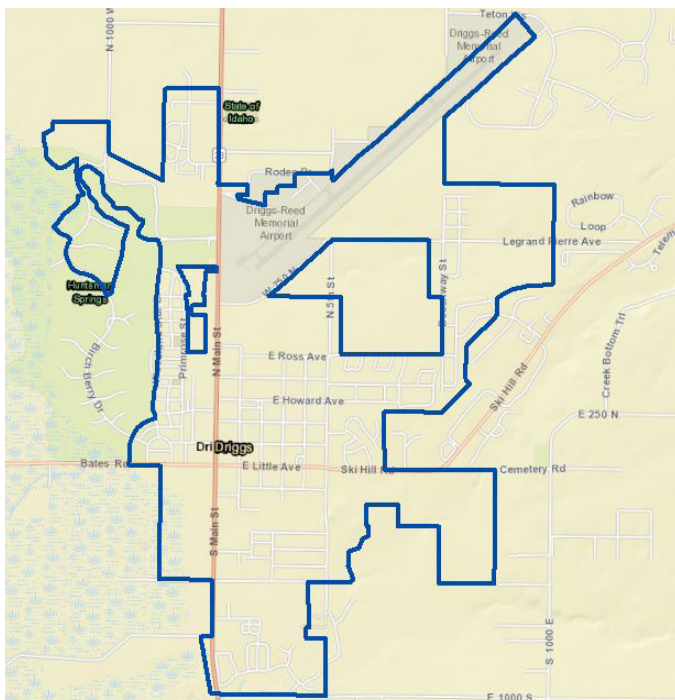


Figure 5: Driggs, ID Boundaries

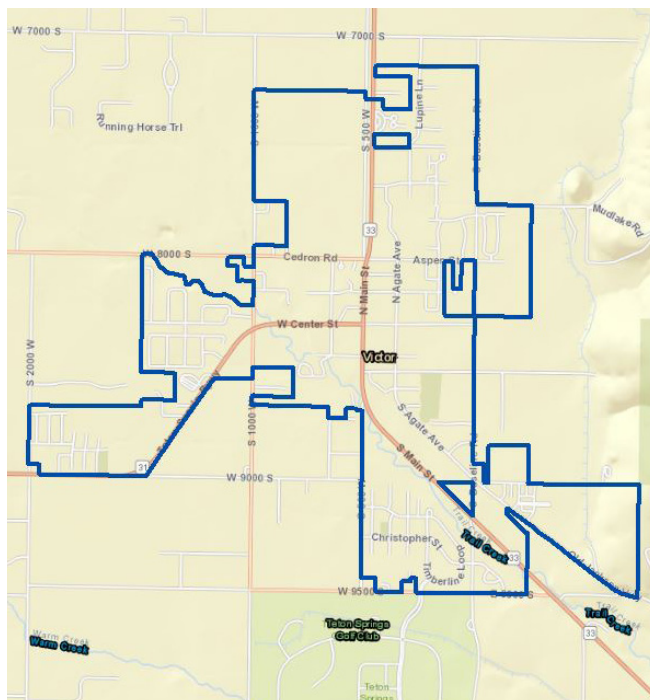


Figure 6: Victor, ID Boundaries

METHODOLOGY

The methodology for completing the remainder of the report has been drafted based on existing short-term rental studies and peer reviewed research.

Policy Research

This section of the report will provide a summary of existing policies within the study area and within comparable communities across the nation. That methodology is as follows:

- **Subject Area Overview** – The report will provide a summary of the existing short-term rental policies within Teton County, Wyoming and Teton County, Idaho. This section will also include a discussion on previous attempts at regulation within the study area.
- **Comparable Communities** – An analysis of existing regulations in similar communities will be provided. This information will help provide guidance when formulating a final policy recommendation.

Existing Short-Term Rental Conditions

In order to move toward policy recommendations, it is important to understand the scope of short-term rentals within the study area. Mapping the location of existing rental properties will provide the client with the following information:

- **Heat Map** – GIS data will provide the necessary information to create a heat map showing concentration of short-term

rental properties within the study area. This will provide a visual representation of the areas most impacted by this use.

Impact Analysis

This portion of the report will provide an analysis on housing and population data for the study area. This data will include research into the number of dwellings which have been removed from local housing stock, changes to sale and rental prices in recent years, and a discussion on housing needs within the area and cost-burdened residents.

Recommendations

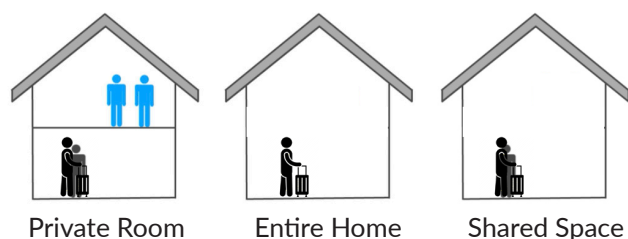
The body of the report will conclude with final policy recommendations for the study area. This recommendations section will discuss how short-term rentals should be regulated, implementation of the recommendations, how compliance with the policy can be maintained and the potential financial impacts of the proposed changes.

BACKGROUND RESEARCH

Short-Term Rental Context

The STR industry is relatively new, and as such the debate and research around it has grown as more and more residential properties are converted into vacation accommodations. Prior to determining how to study short-term rental properties, it is necessary to establish an understanding of what short-term rental properties are, and how to categorize them. Short-term rentals are typically defined as residential properties rented to vacationers for less than 30 days at a time. These properties are often located in areas that are not zoned for traditional lodging or commercial uses.

Short-term rental properties can come in a variety of forms. These rentals can be housed within single family homes, apartments, condominiums or in accessory dwelling units such as a mother-in-law suite on site. Renters often have the option to choose between an entire home/dwelling, individual rooms or shared rooms within a unit. When individual or shared rooms function as short-term rentals, there is the potential for the “host family” to remain in the dwelling during the renter’s stay.



Short-term rental or vacation rental properties have long been the subject of controversy as there is disparity in motivation behind listing a property as a short-term rental. Defenders of the practice often reference the property owners who rent out a portion of their home

while remaining on the property. These individuals often rely on the partial rental of the property as a necessary subsidy to their income and do not negatively impact available housing in the area as the dwelling is not removed from the inventory of available housing.

In contrast, large investors and property management groups are becoming increasingly prevalent as the posting agents in the short-term rental community. These groups or individuals will purchase numerous properties with the intention of listing them all through websites such as Airbnb or VRBO. Often times the entire units are listed as short-term rentals, and this practice often ultimately can have impacts on the local housing stock by removing inventory available for prospective owners and long-term renters.

In many cases, short-term accommodations have been proven to provide benefits to local economies. Short-term rental properties offer tourists the opportunity to stay in areas which may previously have been difficult for visitors to access. This influx of tourism can boost local businesses and benefit the community and its residents financially. In a study completed on the Chicago, Illinois, it was found that short-term rentals contributed approximately \$108 million to the local economy over the course of a year. It was also found that “for every \$100 a traveler spent on short-term rentals, they spent an additional \$69 on food, \$24 on transportation, \$59 on shopping, and \$48 on arts, entertainment and recreational activities” (India Investment News, 2014). This influx of spending not only supports those operating short-term rental properties but additionally increases spending at a variety of local businesses.

BACKGROUND RESEARCH



While there are measurable benefits of permitting STR properties, there are also a number of valid concerns raised by the practice. In 2019, researchers Emily Yeager, Bynum Boley, Kyle Maurice Woosnam, Gary T. Green completed a study on public opinion of short-term rental properties in Savannah, Georgia. The study showed a number of residents in the city felt that the increase of vacation rentals decreased the residential character of neighborhoods and deprived residents of the opportunity to form bonds with their neighbors. Additionally, short-term accommodations have been widely understood to have an impact on the affordability of housing. In 2016, it was found that STR properties had exacerbated Los Angeles' affordable housing shortage that was leaving a number of permanent residents in a state of housing insecurity (Lee). Regulations have become a common tool for cities to mitigate undesirable impacts and enhance community benefits.

Study Area

In order to gauge the potential needs of the communities within the study area, it is important to gain an understanding of the existing policies. A summary of the existing STR rental policy has been included as table one on the following page.

Case Studies

A number of municipalities are beginning to recognize and understand the impacts of STR properties on their respective communities. After reviewing existing short-term rental studies in Vancouver, Oakland, New Orleans and the state of Oregon, several best practices have been identified:

- Outline the existing policies and regulations within the study area.
- Utilize AirDNA to gather information on the existing STR market.
- Understand successful policies within similar communities.
- Utilize public housing and income data to understand how these properties may be affecting housing stock and affordability.
- Discuss the impacts of STRs with local government officials.

The methodology for this report is consistent with the above referenced case studies.

BACKGROUND RESEARCH

Table 1: Summary of Study Area Regulations

Municipality	Policy	Compliance	Registration	Fees	Tax
Unincorporated Teton County, WY	Permitted only within approved neighborhoods	Complaint based	No County registration required. Annual checklist with Fire/EMS required	None	8% 10% within Teton Village
Town of Jackson, WY	Permitted only within Lodging Overlay	Host Compliance service used	Basic Use Permit and Short-Term Rental License	\$500 one-time fee \$100 annual fee Affordable Housing Fee (Varies)	8%
Unincorporated Teton County, ID	No Policy	None	None	None	8%
City of Driggs, ID	No Policy	Host Compliance service used	Business License	\$80 one-time fee \$50 annual fee	11%
City of Victor, ID	No Policy	None	Business License	\$100 one-time fee \$50 annual fee	11%
City of Tetonia, ID	No Policy	Complaint Based	Business License	\$25 every two years	8%

POLICY SUMMARY



Comparable Municipalities

In an effort to recommend regulations that would be beneficial to the study area, the existing policies in other similar municipalities were studied. The focus for this study was on locations across the United States that have a tourism-dependent economy, are home to national or state parks, ski mountains/resorts, or have unique recreation opportunities. Additionally, these selected municipalities display a variety of regulatory techniques ranging from limitations on the number of available permits to regulation by zone district. The selected municipalities include:

- City of Napa, California
- Town of Telluride, Colorado
- Town of Crested Butte, Colorado
- Larimer County, Colorado
- Flathead County, Montana
- Park City, Utah

It was found that the comparable communities all require both registration of short-term rental properties as well as a fee. Additionally, a number of these communities utilized third-party monitoring companies to ensure STR properties are compliant with local regulations.



City of Napa, California
Photo credit: Destination360

POLICY SUMMARY

After researching the short-term rental requirements of each of the comparable municipalities, a summary of the results has been provided on the following table.

Table 2: Summary of Comparable Minicipalities' Regulations

Municipality	Policy	Compliance	Registration	Fees	Tax
City of Napa, California	Limit on number of permits issued	Host Compliance service used	Short-term rental permit Business License	\$408 annually	12%
Town of Telluride, Colorado	Limit number of days within residential districts.	LODGINGSRevs service used	Residential Rental Affidavit Business License	\$165 + \$22 per bedroom annually	15.15%
Town of Crested Butte, Colorado	Cap on % of units permitted as rentals. Primary residences exempt.	Complaint Based	Unlimited or Primary Residence Vacation Rental license	\$1,500 one time fee \$750 annual fee	18.7%
Unincorporated Larimer County, Colorado	Application process based on unit occupancy	Host Compliance service used	Public Site Plan or Minor Special Review (dependent on unit size)	\$719 or \$898.89 one time fee (dependent on unit size)	3.7%
Unincorporated Flathead County, Montana	Conditional use within certain zone districts	Complaint Based	Conditional Use Permit Accommodation License	\$390 one time fee \$35 annual fee	8%
Park City, Utah	Conditional or Permitted use Based on zone district	Host Compliance service used	Short-term rental license Conditional use permit if required	\$149 + 28.74 per bedroom annual fee Conditional use - \$1140 one time fee	13.37%

EXISTING CONDITIONS AND IMPACTS



Data Discussion

The data utilized in this report has been retrieved from the website AirDNA. AirDNA is a company which provides users insight into selected STR markets including property location, income, number of bedrooms and days available. The data available on this website is frequently used within short-term rental studies and research.

For the purpose of this report, short-term rental data from the month of February 2020 was utilized. This data also included annual metrics, measured from February 2019 to February 2020. AirDNA data is collected from the two most highly utilized short-term rental listing sites in the United States, Airbnb and VRBO. As the data is collected directly from these short-term rental listing sites, AirDNA is not able to recognize errors such as property owners providing false information about their rentals. Additionally, STR listing sites do not provide exact locations of rental properties, but rather identify a small geographical area in which the property is located. The data provided by AirDNA was edited upon creation of the GIS map when possible to ensure proper location of points.

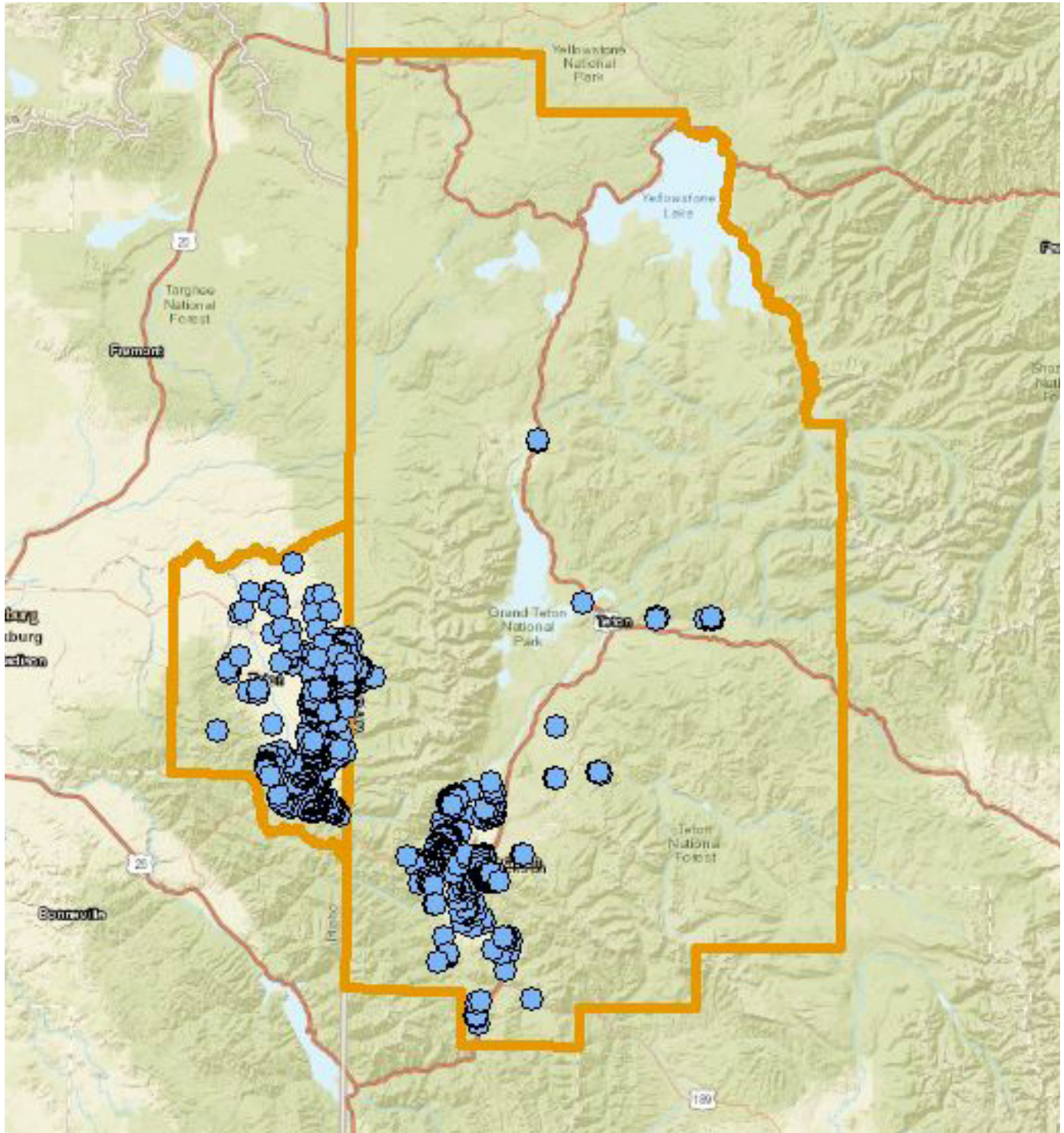
Despite the potential limitations, the data and conclusions described in this report should not be substantially impacted. The data in this report can be utilized to understand the current short-term rental trends in the region and to provide an estimate of the number of properties within the area. The data in this report should not be utilized to ensure individual properties are in compliance with existing short-term rental regulations.

Existing Short-Term Rental Conditions

According to information retrieved from airDNA, there have been a total of 2,575 separate short-term rental properties available over the past twelve months within the study area. After mapping the locations of the existing short-term rentals, it has been found there were approximately 1,877 active short-term rental properties within the entirety of the study area during February 2020. The disparity in these numbers can be related to the seasonality of short-term rental demand within the area and the number of properties that are only available during short periods of the year. Another reason for the variation could be the beginning of the response to the COVID-19 pandemic, with the US initiating various travel restrictions late January. Local measures (in either Wyoming or Idaho) did not begin until after February 2020, but in either case, early voluntary trip cancellation by domestic travelers, or required trip cancellation by international travelers, likely also contributed to the difference.

EXISTING CONDITIONS AND IMPACTS

Figure 7: Location of Short-Term Rental Properties Active February 2020



Data Source: AirDNA

EXISTING CONDITIONS AND IMPACTS

Table 3: Number of Properties Active in Past Year

	Properties	Percentage
Wyoming	1733	67%
Idaho	842	33%
Total	2575	100%

Source: AirDNA properties active February 2019 - February 2020

Data shows that approximately 67% or 1,254 properties are located within Teton County, Wyoming with the remaining 623 properties located within Teton County, Idaho. The approximate locations of these rental properties have been provided in Figure 7.

The two Teton counties are experiencing different spatial patterns of short-term rental concentration. On the eastern side of the Teton Mountain Range, vacation rentals are densely concentrated in certain areas or neighborhoods. In accordance with existing regulations, areas permitted for short-term rental use correlate to high numbers of these properties. The provided heat map illustrates that the highest density of short-term rental properties, approximately 70-146 properties per square mile, exists in three separate locations within Teton County, Wyoming. These extremely high density areas occur within the Town of Jackson, the Aspens housing development and the Teton Village resort area. Though the highest density areas are found within approved neighborhoods,

Table 4: Number of Properties Active February 2020

	Properties	Percentage
Wyoming	1254	67%
Idaho	632	33%
Total	1877	100%

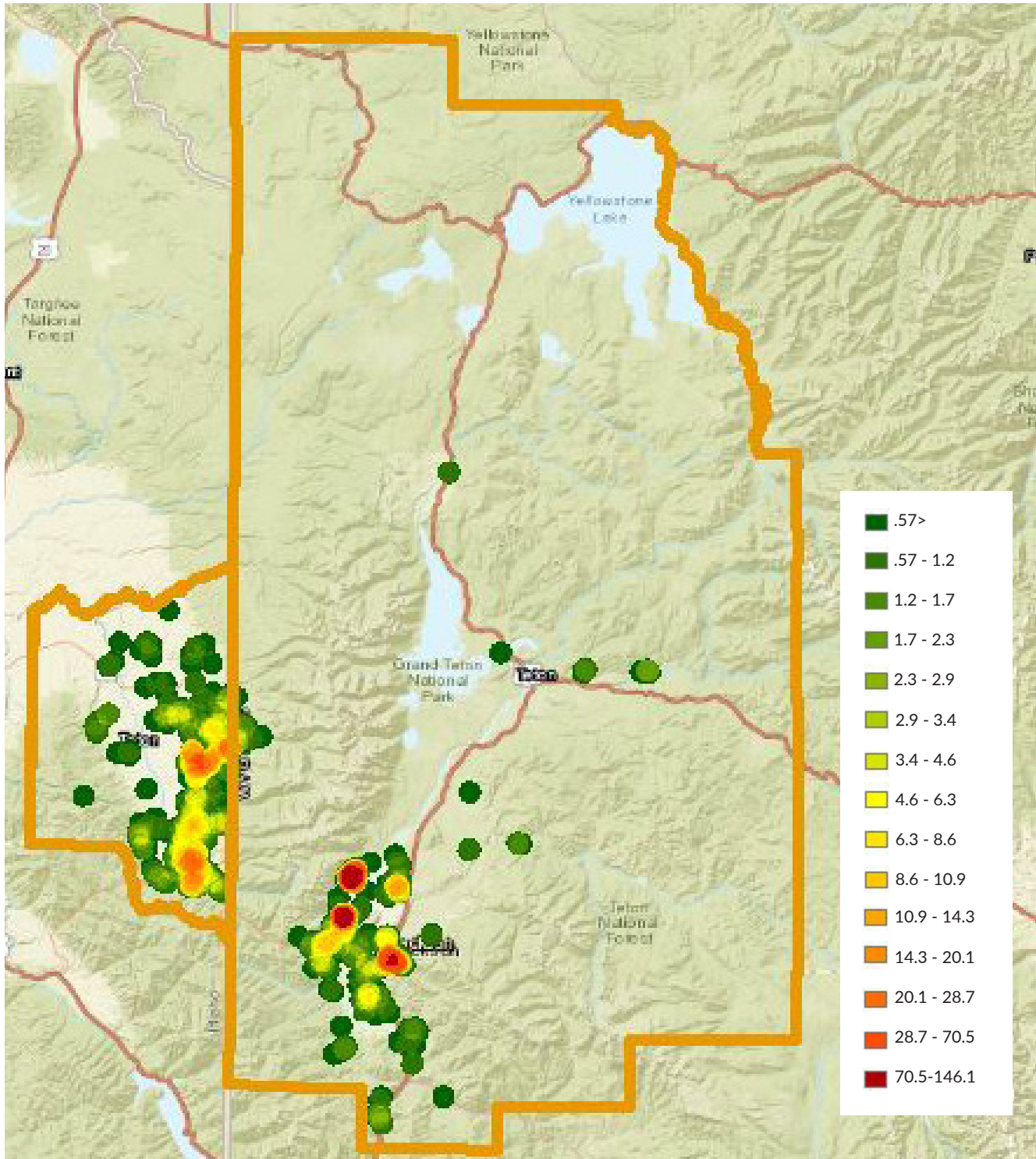
Source: AirDNA

there are still approximately 180 properties operating in conflict with county regulations.

On the western side of the Tetons, short-term rentals do not occur in as high of a density, and are more sporadically located. This can likely be attributed to the lack of vacation rental regulations in the western portion of the study area and the smaller number of total rentals. The highest density of vacation properties found in Teton County, Idaho is within a 28 to 70 properties per square mile range. This measurement can be observed within the City of Driggs and at the center of the City of Victor. One trend that can be observed within both counties is that there is a high concentration of properties observed bordering the Teton Mountain Range. This close proximity to the Tetons allows visitors access to scenic views as well as recreational and tourism opportunities which have made the area such a popular destination for guests. The concentration of short-term rental properties within the study has been illustrated by Figure 8.

EXISTING CONDITIONS AND IMPACTS

Figure 8: Number of Short-Term Rental Properties Per Square Mile



Data Source: AirDNA properties active February 2020

EXISTING CONDITIONS AND IMPACTS

Of the 1,877 properties active in February 2020, approximately 94%, a total of 1,756 dwellings, are full homes available for rent. This type of rental implies that the property owner is either renting the property out while they themselves are traveling, or that the home is not the property owner's primary residence. While both counties are experiencing high percentages of full home rentals, this type of use is more common within the Wyoming portion of the study area. A total of 97% of the Wyoming properties available for short-term rental are full homes while 88% of these properties within Teton County, Idaho, are full homes. Short-term rental owners in the Idaho portion of the study area tend to be more likely to rent a private room or even a shared space than property owners in Teton County, Wyoming based on the available data.

These active short-term rental properties can be further categorized into home size based on the number of bedrooms available for rent. The

The 1,756 full homes identified in Table 3 can be further separated into categories for studios, one bedroom, two bedrooms, three bedrooms, four bedrooms and five or more bedrooms. It was found that the largest number of properties within the overall study area were two bedroom units, totaling approximately 30% of the total full home rentals. This statistic is, however, heavily influenced by the number of two bedroom short-term rental properties available in Teton County, Wyoming. Within Teton County, Idaho, the most common full home rentals are three bedroom dwellings, totaling 31% of available vacation rental properties within the county. Within both counties, it is shown that two and three bedroom units are the most common, while studio units and those with greater than five bedrooms are relatively rare. The quantity of units broken down by number of bedrooms can be seen in Table 6.

Table 5: Number of Rentals Per Type

	Full Homes	Private Room	Shared Room
Teton County, WY	944	11	0
Jackson	223	24	2
WY Total	1217	35	2
Teton County, ID	361	55	10
Tetonia	1	0	0
Driggs	105	2	0
Victor	72	17	0
ID Total	539	74	10
Study Area Total	1756	109	12

Source: AirDNA properties active February 2020

EXISTING CONDITIONS AND IMPACTS

Table 6: Number of Full Home Rentals by Bedrooms

	Studio	One	Two	Three	Four	Five +
Wyoming	34	180	393	295	191	124
Idaho	25	69	127	127	78	74
Total	59	249	520	461	269	198

Source: AirDNA properties active February 2020

When examining the 2575 properties that have been active within the past year, it was found that a total of 55% of these vacation properties within the study area were available for rent for a total of at least of 181 days annually. The short-term rental data collection website AirDNA considers homes available for rent for over one 181 days to be full-time rentals. Properties categorized as full-time rentals are likely the property owner's vacation

homes or investment properties, these properties are generally not intended for use as primary residences. This means that approximately 1422 of properties within the area have been removed from the local housing stock. Within Teton County, Wyoming, there are approximately 950 homes available for full time rental, while the number of these properties within Idaho is approximately 472.

Table 7: Count of Properties by Number of Days Available

	1 to 90	91 to 180	181 to 270	271 to 365
Wyoming	390	392	421	529
Idaho	167	203	220	252
Total	557	595	641	781

Source: AirDNA properties active February 2019 - February 2020

EXISTING CONDITIONS AND IMPACTS

Impact Analysis

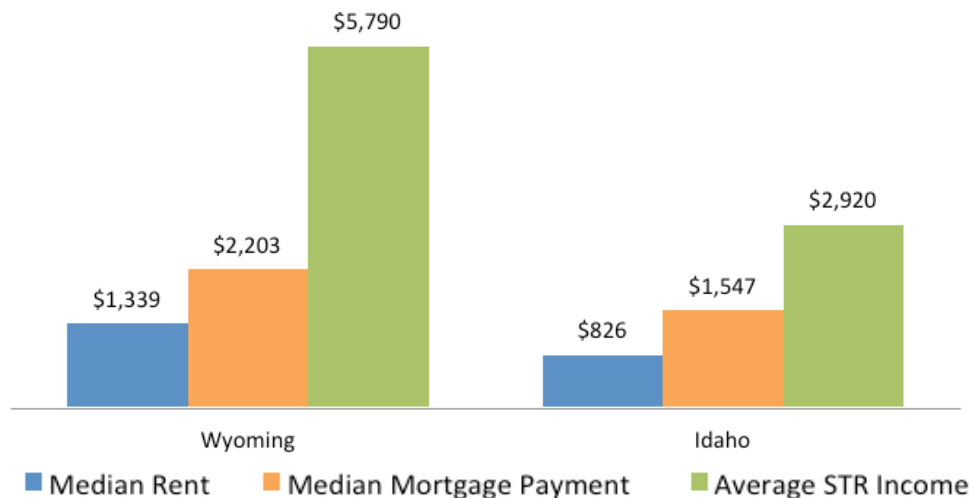
One of the main goals in establishing STR regulations is mitigating the effect these properties have on the local housing stock and property values. The increase in values can be tied to two key characteristics regarding short-term rentals. First, the decrease in available housing stock due to investment in full time short-term rental properties and second, the increase in property values due to the opportunity to profit off a short-term rental use.

As more individuals purchase investment properties intended for use strictly as vacation rentals, housing options for permanent and long-term residents decrease. As of 2018, there were a total of 13,680 total housing units within Teton County, Wyoming (American Community Survey). Approximately 12.7% of housing units in the county have been listed as short-term rental properties within the last year. In accordance with existing conditions data, approximately 950 of these properties

function as full-time vacation rentals and therefore are not utilized as primary residences. This equates to approximately 6.9% of the total housing units within the county. Within Teton County Idaho, there are a total of approximately 5,959 housing units, with 14.1% listed as a short-term rental within the past year (American Community Survey). Approximately 7.9% of the housing units in the Idaho portion of the study area have been operating as short-term rentals for more than 181 days per year.

As reported by researcher Dayne Lee, property owners are incentivized to convert residential properties into tourist accommodations when the short-term rental income outweighs the potential long-term rental income or sale price (2016). This trend of extremely high STR income is apparent when examining income data for the study area. Property owners have little incentive to choose long-term renters over short term or overnight tourists who are willing to pay an average of \$364.00 per night to stay in the area.

Figure 9: Comparison of Monthly STR Income to Area Median Rent and Mortgage Payment



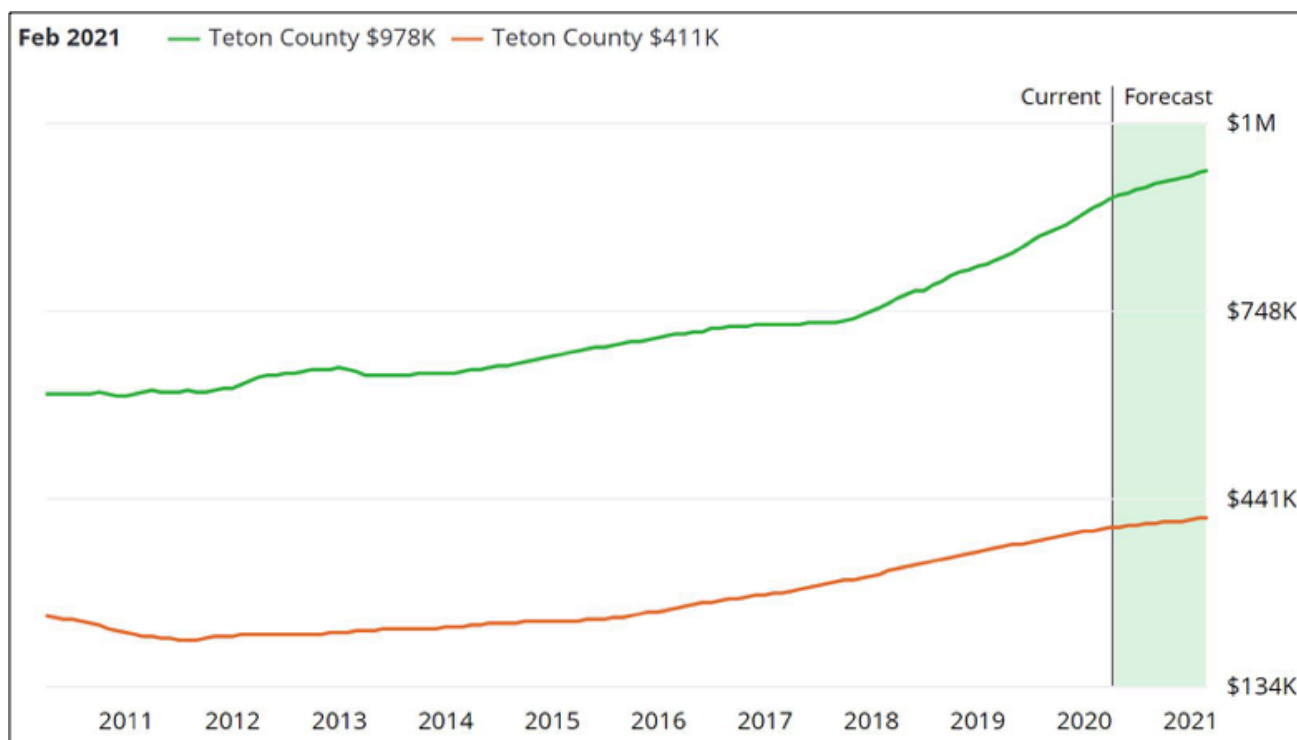
Source: AirDNA properties active February 2019 - February 2020

EXISTING CONDITIONS AND IMPACTS

Both counties have seen significant increases in home rental and purchase prices within recent years. These increases have been exacerbated by the loss of properties to growing STR use. In 2019, it was reported that 7% of the households within Teton County, Idaho were severely cost burdened; meaning 50% or more of their income was being spent on housing costs (County Health rankings). Within Teton County, Wyoming, the number of households experiencing severe housing is approximately 19% of the population. Severe housing is defined as “housing unit lacks complete kitchen facilities; lacks complete plumbing; severely overcrowded or severely cost burdened” (Community Health Needs Assessment, 2018).

When examining recent trends in the numbers of short-term rentals, it is apparent that the number of vacation properties in the area can be expected to continue to grow over the upcoming years. While the number of active listings may vary seasonally, there has been a significant upward trend in the number of these properties listed in the past years. At the end of 2016, there were a total of approximately 702 rental properties within the study area. This represents a 267% increase in the number of listings from the end of 2016 to February 2020. If the STR market continues to follow this trend, it can be expected that this growth will further impact the availability of attainable housing.

Figure 10: Area Median Home Values



Source: Zillow

RECOMMENDATIONS

The policy recommendation for the study area has been based on the research conducted in this report. The intent of the policy recommendations is to provide policy guidance that will balance positive impacts to the communities, while also protecting homeowners property rights, and the contribution of STRs to the local tourism economy. Public employees should engage with their respective communities. Residents should be provided an opportunity to voice their thoughts and concerns with short-term rental uses or regulations, and should have a dialogue with their representatives. Having open communication and informing citizens as to why the regulation of these vacation rentals is beneficial to the community is vital to the success of any changes.

The project recommendations can be summarized into the following categories:



Code Updates

Code updates have been recommended in order to provide clear information on where short-term rental properties are allowed.



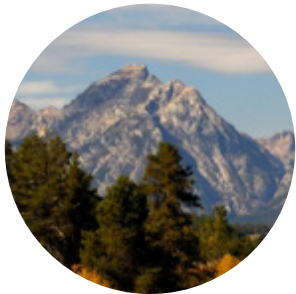
Compliance

Code compliance recommendations are intended to ensure the success of proposed and existing regulations.



Permitting

Recommendations in regards to permitting and documentation have been provided to increase tracking of short-term rentals and mitigate neighborhood impact.



RECOMMENDATIONS



Code Updates

When enacting regulations for short-term rental properties, providing clear and consistent messaging within regulatory documents is extremely important.

Policy changes should be established through amendments to the Land Development Codes for Teton County, Idaho, as well as the City of Driggs, Idaho and the City of Victor, Idaho. These code updates should include a definition for STR properties consistent with those used in other communities. The proposed updates should include standards to ensure safety and minimize community impact. Potential considerations could be a maximum number of vehicles permitted at the home and a maximum number of renters permitted based on dwelling size or number of bedrooms.

The proposed amendments to the Driggs and Victor Land Development Codes should identify STRs as a “conditional” use. These codes should also provide for a requirement that STR properties must serve as the property owner’s principal dwelling. The establishment of a principal dwelling requirement will ensure that visitor accommodations will not have detrimental effects on the local housing while still allowing the practice. This requirement will also help protect the local community character. Accessory dwelling units shall be permitted for conditional use as STRs as long as the main dwelling unit is utilized as the property owner’s principal dwelling.

There are no recommended changes to the regulating documents within the Wyoming portion of the study area because clear regulations are in place.



Compliance

Establishing policies that ensure compliance with regulations is vital to mitigating the negative impacts of STRs. It is highly recommended that communities with STR policies utilize monitoring companies such as Host Compliance or LODGINGRevs if they are not already.

The recommended companies will allow for the county to monitor compliance with the existing location limitations and verify that all properties have an up-to-date permit. This company will identify the out of compliance properties and draft all notices instructing the owner to either remove the listing or providing the steps to compliance. After the letter is drafted, the document would need to be approved by designated county staff and sent to the property owner. This service will help to ensure that policy is followed and help to protect the local housing stock.

Additionally, it is recommended that Teton County, Idaho, assess the need for a Code Enforcement Officer to ensure compliance with county regulations. This position would be beneficial in being the main contact for the recommended short-term rental monitoring company and would additionally be responsible for reviewing the pre-written short-term rental compliance letters to residents. This officer would be a full time employee who not only manages STR compliance but is also available to follow up on other compliance issues within the unincorporated county. Teton County, Wyoming, has a code enforcement officer, but the position is currently vacant and needs to be filled.

RECOMMENDATIONS



Require Short-Term Rental Permitting

A permitting system for short-term rental properties should be implemented within both counties. Permitting STR properties not only allows the community to better track housing demographics and impacts of short-term rentals, but also allows for a source of funding for tracking and compliance. While a permit would cost the property owner, local governments commonly charge businesses for licenses.

The required permit should be accompanied by a recommended \$500 fee to be paid upon initial submittal and at the time of renewal. The permit fee is intended to offset the costs of recommended policy changes without burdening residents. Should all active STR owners within the unincorporated counties register their properties, local governments would receive around \$690,000 every 5 years to better offset any negative impacts.

Given the large number of short-term rental properties within the counties, this permit should be renewed every five years as to not overwhelm county planning staff or place an undue time or financial burden on the property owner. The permit should require the owner to provide the address of the property, establish an emergency contact for the property and provide the dwelling square footage and bedroom count. As part of the permitting process, a handout created by each county which provides guests information on environmental considerations and applicable local regulations, such as the use of a bear-proof trash can should be supplied. Property owners will need to certify that this information

will be provided to all renters of the property. Property owners will additionally the need to verify that after permit approval, the assigned permit number is included in the online posting for the property. It is recommended STR owners have a six month deadline for all existing rental properties to receive a short-term rental license. After the six-month deadline, properties would receive notice that they are not in compliance with county regulations.

As previously discussed, properties within Driggs, Idaho, and Victor, Idaho, should be required to receive a conditional use permit and proof of primary residency. The applicant would provide a copy of their driver's license as proof of residency. A conditional use permit in both cities would require review by the Planning and Zoning Commission. A public hearing for the property will allow neighbors to participate in the conversation and voice any potential concerns they have with the short-term rental use. As to not overwhelm city staff and public hearing schedules, it is recommended that after the approval of recommended regulations, existing properties be granted a one year period to apply for the permit.

The cost of a conditional use permit within the city of Driggs is \$710. Should all the existing short-term rental properties in the city choose to apply for a permit and receive approval, the city would receive approximately \$76,000 in fees collected. The cost of a conditional use permit within the City of Victor is \$987. The revenue generated through permitting fees should be used to cover the costs of staff time, community outreach, and mitigation efforts, such as supporting affordable housing programs.

RECOMMENDATIONS

Recommendation Summary

After researching the short-term rental requirements of each of the comparable municipalities, a summary of the results has been provided on the following table.

Table 8: Summary of Recommended Changes

Municipality	Policy	Compliance	Registration	Fees
Teton County, WY	No Recommended Change	Utilize a Third Party Monitoring Company	Require Permitting	\$500 fee collected every five years
Jackson, WY	No Recommended Change	No Recommended Change	No Recommended Change	No Recommended Change
Teton County, ID	Include Short-Term Rentals as permitted use in Land Development Codes	Utilize a Third Party Monitoring Company, Fill Code Enforcement Officer Position	Require Permitting	\$500 fee collected every five years
City of Driggs, ID	Establish a Principal Dwelling Requirement, Provide Exception for Accessory Dwelling Units	No Recommended Change - Continue to Utilize a Third Party Monitoring Company	Require Conditional Use Permits	\$710 Conditional Use Permit
City of Victor, ID	Establish a Principal Dwelling Requirement, Provide Exception for Accessory Dwelling Units	Utilize a Third Party Monitoring Company	Require Conditional Use Permits	\$987 Conditional Use Permit
City of Tetonia, ID	No Recommended Change	Monitor Properties for Business Licenses	No Recommended Change	No Recommended Change

CONCLUSION



The regulation of short-term rental properties is a much debated topic across the United States and worldwide. These properties tend to impact areas that are home to unique and exciting tourism opportunities as more and more visitors gain interest in new opportunities for accommodation. Many visitors who were once resigned to staying in hotels now have the chance to experience renting an entire home or staying at a property with a local host. As more and more tourists book rentals in traditional neighborhoods communities often find themselves questioning the impact of short-term rentals on community character, quality of life, and housing availability. Teton County, Wyoming, and Teton County, Idaho, are not exempt from this trend, and have experienced growing numbers of short-term rental properties within recent years.



Until this time, there have not yet been comprehensive studies into the number of short-term rental properties within the region, or their impacts, leaving much of the study area lacking vital information to implement effective regulations. Two local advocacy groups, the Valley Advocates for Responsible Development and the Jackson Hole Conservation Alliance have expressed concern with the lack of information available in regard to STRs in the area. This report has provided research into existing policies and regulations within the area, policies and regulation in similar communities, a summary of short-term rental statistics and trends and a housing analysis. Through this research, it has been determined that there are a significant number of short-term rental properties within the two county study area, and that these vacation rentals are likely causing further strain on a number of cost-burden renters and prospective homeowners.



The regulation of STRs properties has the potential to reduce undesirable impacts and better protect housing affordability from drastic changes. The recommendations have been provided for review by the client agencies and local governments within the study area. Generally, it was determined that there is a need for increased regulation and permitting within the two counties, including a principal residence requirement within the city of Driggs and the city of Victor. The adoption of these proposed regulations are anticipated to help mitigate the negative externalities of an unchecked short-term rental market. Additionally, the recommended policy will allow for the subject municipalities to maintain accurate and up to date information in regards to the number of these properties and their locations. Maintaining a balance between the local tourism economy, the needs of residents, and the natural environment it all depends on, will require continued adaptation to new economic trends.



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THANK YOU

