

Council targets increased enforcement of vacation rentals regulations

by HEIDI DESCH

Whitefish Pilot | September 22, 2021 1:00 AM

City Council is asking for a renewed focus on enforcement of its current vacation rental regulations while asking for an examination of changes to the regulations that could aid in the effort.

With an increase in tourism and new residents in Whitefish, the city's sustainable tourism management plan committee recently implored the city to address concerns surrounding short-term rentals. Issues raised are that short-term rentals are taking away from the available housing in town thus exacerbating the shortage of affordable workforce housing.

Several ideas were presented to Council during a recent work session for addressing short-term rentals. Council generally seemed to favor several ideas that were termed as under the enforcement category — modifying the definition of short-term rentals as to be anything less than 90 days, requiring city license numbers on advertising of short-term rentals, hiring an external firm for enforcement, raising the fees for short-term rentals and exploring a regulation that would prohibit an owner from operating a short-term rental if they violate city regulations after a set number of infractions.

Councilor Ben Davis said while the city should be doing a better job of enforcing rules for short-term rentals, that wouldn't resolve the strain on the town from visitation.

"I don't think enforcement is actually going to solve the problems in our town," he said. "What keeps coming back in my mind is over visitation. There are twice as many beds to stay in from short-term rentals as there were just a few years ago, and of course, that's going to cause things to change. There's just so many people here that it strains our businesses, it strains our infrastructure, it strains our roads."

Councilor Steve Qunell pointed out that locations where short-term rentals are allowed in Whitefish, wouldn't necessarily be suitable for long-term housing rentals anyway.

"Have short-term rentals affected our long-term housing," Qunell asked. "It has affected our livability, that's clear."

There are roughly 260 short-term rentals licensed within city limits. There are about 3,800 total housing units in the city and of that 726 total would be eligible for short-term rentals based on zoning.

Councilor Andy Feury said better enforcement of the city's regulations is the right first step.

"There's a perception that short-term rentals are a rampant problem that is killing our housing stock, but yet we don't have good enforcement so we don't know if that's true," he said.

City code defines short-term rentals as visitor accommodations of less than 30 days and such rentals are only allowed in certain zoning districts of the city — WB-3 general business, resort residential and resort business districts. Such rentals are also required to register with the city and obtain a business license.

City Attorney Angela Jacobs cautioned that because Whitefish has already put restrictions on short-term rentals for location, those units wouldn't likely be used for long-term housing anyway.

"Those are zones where you're not likely to get affordable housing," she said. "That's one thing Whitefish has done really well, is to regulate short-term rentals to certain zones."

In addressing City Council, Lauren Oscilowski, chair of the sustainable tourism management plan committee, said the committee has identified short-term rentals as a priority for increased regulations.

“We understand many factors contribute to affordable housing issues in Whitefish and short-term rentals are one piece of the pie that has significant implications,” she told Council. “It is also an area where the committee can help make a difference in this community.”

Dylan Boyle, executive director of the Whitefish Convention and Visitor Bureau, said it’s important to set a benchmark for what’s an acceptable number of short-term rentals in the city in terms of ensuring community livability.

Boyle noted that there are 1,271 short-term rentals in the 59937 ZIP code, which includes the city limits and just outside town. Those rentals translate to about 2,900 guest rooms, he noted, more than twice the number of traditional lodging rooms in the area.

Council ultimately said it would like renewed focus on enforcement making sure that short-term rentals are following regulations.

In particular, that included making sure rentals are operating in zones where they are allowed. The city is working on publishing a map of registered short-term rentals on its website to aid in determining which rentals are operating illegally.

City staff is also looking into increasing the fee for short-term rental registration as a way to cover the city’s costs related to enforcement, staffing and software.

While capping or limiting the number of short-term rentals has been brought up, Planning Director Dave Taylor advised against that option.

Taylor said that doing so in zones where short-term rentals are a use by right causes concerns since there are several permitted projects in the city that are not yet built out and can not register their units until they are completed.

“There are buildings out there that are selling units based upon the ability to do short-term rentals and you can’t take that away after they’ve been approved,” he said.

“With rumors going around that there might be a cap there’s also the potential that long-term renters might be kicked as owners convert units to short-term now for fear of losing that in the future,” he added.