



September 13, 2024

The Honorable Darrell O'Quinn
President
Birmingham City Council
710 North 20th Street
Birmingham, AL

The Honorable Wardine Alexander
President Pro Tempore
Birmingham City Council
710 North 20th Street
Birmingham, AL

RE: Proposed Changes to STR Regulations

Dear President O'Quinn, President Pro Tempore Alexander, and members of the Council:

On behalf of Chamber of Progress, a tech industry coalition promoting technology's progressive future, I write in response to the proposed short-term rental (STR) regulations. As we noted in our August letter, some of the provisions threaten hosts' privacy and limit access to the benefits of STRs. Unfortunately, the most recent version of the proposed regulations failed to address the concerns we raised and would create even more barriers to residents looking to augment their income by renting out their homes. **We urge you not to move forward with these regulations, as they would stifle economic opportunities for residents and small businesses.**

Short-term rentals can strengthen local economies by giving homeowners additional income streams and attracting new customers for local businesses

Most hosts do not fall into the category of traditional property investors or conglomerates.¹ Instead, they are individuals residing in their primary homes, seeking to diversify their income streams to meet financial needs. By making space in their residences available, homeowners can augment their earnings to cope with escalating mortgage payments.

Guests who opt for short-term rentals contribute to local economies by patronizing nearby shops and restaurants. According to survey data, 92% of hosts provided recommendations for local restaurants and cafes, and guests reported that 41% of their overall trip spending occurred in the neighborhoods they stayed in.² Short-term rentals offer visitors the opportunity to experience more of the city and its small businesses than

¹ See <https://www.sec.gov/Archives/edgar/data/1559720/000119312520294801/d81668ds1.htm#toc>

² See <https://news.airbnb.com/airbnb-estimated-direct-economic-impact-in-the-u-s-nears-34-billion/>

other lodging options, which tend to be concentrated around tourist attractions and downtown areas.

Ensuring privacy, fairness, and economic access in proposed STR regulations

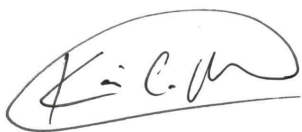
As we noted in our August letter, the proposed regulations threaten hosts' privacy and unnecessarily block some residents from the full benefits of STRs. The prohibition against the use of Accessory Dwelling Units (ADUs), the 2-night minimum stay requirement, and the lack of clarity regarding renters' rights would limit residents' ability to augment their income. Further, the requirement that hosts display their full permit, including potentially sensitive personal information, could put their information at risk.

Unfortunately, the most recent updates to the proposed regulations would further erode hosts' privacy and put up more unnecessary hurdles for residents trying to diversify their income. The requirements that, in some circumstances, security cameras be installed and that hosts allow inspections with less than 24 hours' notice do not align with hosts' reasonable expectations of privacy on their property. These requirements are especially unreasonable considering that the majority of hosts rent out their primary homes.

The updated proposal would also prohibit short-term rentals in some zones altogether and require a Special Exemption Process in others. The Special Exemption Process would create a high barrier for residents looking to rent out their homes, requiring presentations to their Neighborhood Association and the Zoning Board of Appeals. This requirement could prove particularly intimidating for residents who do not have experience interacting with local government or navigating bureaucratic processes.

For the sake of all Birmingham residents, small businesses, and visitors, we urge you not to move forward with the proposed STR regulations.

Thank you,

A handwritten signature in black ink, appearing to read "K. C. Marshall", enclosed within a hand-drawn oval shape.

Kouri Marshall
Director of State & Local Government Relations, Central US
Chamber of Progress