



October 22, 2024

The Honorable Valerie Abbott, Chair
Joint Planning & Zoning Committee and Special Committee of the Whole
Birmingham City Council
710 North 20th Street
Birmingham, AL

RE: Proposed Changes to STR Regulations

Dear Chair Abbott and members of the committee:

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. We urge you **not to move forward** with the regulations drafted, 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 other lodging options, which tend to be concentrated around tourist attractions and downtown areas.

As we noted in our previous letters, the proposed regulations threaten hosts' privacy and limit access to the benefits of STRs. The prohibition against the use of Accessory Dwelling Units (ADUs), the 2-night minimum stay requirement, and the lack of clarity

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/>

regarding renters' rights would limit residents' ability to augment their income. The Special Exemption Process required for permits in some zones 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. Further, the requirement to install security cameras and allow inspections with less than 24 hours notice would violate the privacy rights of hosts and their neighbors.

Taken together, these requirements would cut off an important stream of income for Birmingham residents and decrease opportunities for small businesses.

Many cities have adopted short-term rental regulations that protect the safety of hosts, visitors, and the community without significantly restricting the use of short-term rentals. These proposed regulations do not strike that balance. For the sake of Birmingham's small businesses and residents looking to earn extra income, we urge you not to move forward with the proposal as drafted.

Thank you,

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

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