



November 26, 2024

To: Eau Claire City Council and Plan Commission

Re: Proposed ordinances related to Short Term Rentals (STRs)

The Eau Claire Area Chamber of Commerce has served our community since 1915 as the advocate of business. We have more than 1,000 investor organizations who employ more than 45,000 individuals throughout the Eau Claire area. We work to represent the business community as a champion of a strong local and regional economy.

Short Term Rentals – lodging options generally offered to visitors through services like Airbnb and VRBO – provide a valuable service for travelers, generate tourist spending and room tax revenue for the local government and tourism promotion, and offer income opportunities for property owners. As these options have become more prevalent and available, it is appropriate for the City to update its ordinances to catch up to current economic realities and provide for reasonable regulation for health, safety, and other factors. However, such regulations should not unduly inhibit the ability of home owners to offer STRs and for visitors to take advantage of their availability.

Therefore, the Chamber opposes the proposed provisions that would mandate a minimum 7-day stay and limit availability to 180 days per year. We agree with the concerns expressed by Visit Eau Claire that such severe restrictions would have a detrimental effect on tourism and our community’s competitiveness in this growing area of economic activity. They would also diminish the opportunity for increased room tax revenue.

The Chamber supports the provision in the proposed Zoning Code amendment that removes the requirement of a Conditional Use Permit to operate a Bed and Breakfast, especially in light of the goals of the current Zoning Code Update. A regulatory licensing process represents best practices and is the more appropriate and effective method for ensuring compliance with standards.

We understand that often the arguments for restricting STRs relate to neighbors’ concerns about potential negative incidents, as well as broader concerns about the potential effect of STRs on housing supply and affordability.

First, a well-operated licensing and regulatory framework will help ensure that operators comply with safety, health, and other regulations. STRs can be expected to be good neighbors. In fact, visitors who rent via the online services are rated and vetted in a more stringent manner than typical rental tenants. Licenses can be revoked if necessary.

Second, improving our community's housing supply and affordability is one of the most critical current policy priorities of the Chamber. However, restricting STRs is not the way to do it. In reality, it could have unintended consequences with the opposite effect. Housing supply is not a zero-sum game, and restricting a home owner's right and ability to get the best use of their property could diminish increases in housing supply, not improve it. Research reported in the Harvard Business Review has found that "short-term rentals are *not* the biggest contributor to high rents," and Strong Towns published an analysis titled, "The Case that Short-Term Rentals Actually Make Our Neighborhoods Stronger." The most important thing City government can do in this regard is to follow through on current efforts with the Zoning Code Update to remove barriers to increased supply and encourage the creation of more housing units in all types and categories.

Further, it's worth noting that one of the most valuable ways to attract new residents to our community is through their initial experiences as tourists. By facilitating continued increases in tourism, we have the opportunity to encourage those visitors to come back to Eau Claire as permanent residents.

Sincerely,



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Links:

[What Does Banning Short-Term Rentals Really Accomplish?](#) (Sophie Calder-Wang, Chiara Farronato and Andrey Fradkin, Harvard Business Review)

[The Case that Short-Term Rentals Actually Make Our Neighborhoods Stronger](#) (Kea Wilson, Strong Towns)