

HB 563 – Short-Term Rental Regulation

Opponent Testimony

March 9, 2022

State and Local Government Committee

Good afternoon Chairman Wiggam, Vice Chair John, Ranking Member Kelly, and members of the State and Local Government Committee. My name is Kathleen Kennedy, and I am the Director of Administrative Services for Springfield Township, a large urban Township in Hamilton County, Ohio with approximately 36,000 residents across 16.5 miles. On behalf of Springfield Township, I appreciate the opportunity to testify as an opponent of House Bill 563, which amends section 5321.01 of the Revised Code to severely limit local regulation of short-term rental property. In my role with Springfield Township, I am responsible for overall township zoning, planning, and code enforcement in addition to economic development and business relations, and I have first-hand knowledge of the effect that short-term rental establishments can have on the quality of life and property values of homeowners in our community.

As the Committee is aware, Section 519.02 of the Revised Code gives Townships the authority to regulate the location, height, bulk, number of stories, and size of buildings as well as uses permitted on property within its jurisdiction. Other sections of the Revised Code provide the same authority to municipal corporations and counties. These Sections of the Code reflect the long-settled principle that communities have the right to make basic determinations (so long as those determinations are within constitutional boundaries) about the type of community the local residents and businesses want to maintain, as well as the equally long-settled principle that such decisions about a community should be made within that community. These sections allow each local jurisdiction to enact zoning resolutions to further the community's interests in the makeup and characteristics of their communities and the desires of their residents and businesses. A zoning resolution paired with a Comprehensive Plan -- developed by the community which will be regulated by that resolution -- is the best way to ensure that the community becomes what the residents and businesses want it to become. Each community is unique, and local zoning regulations ensure that they stay that way.

Now House Bill 563 threatens to eliminate this basic right of communities to govern themselves for the benefit of their residents and businesses, for the sole purposes of benefitting one very specific form of business—the short-term rental properties. It is not clear why this form of business, above all others, should be exempt from zoning requirements established by local communities.

In fact, this type of establishment—much more so than many others—poses significant risks of upsetting the expectations of community residents, and changing the characteristics of a community in a way that eliminates the benefits of a thoughtful zoning resolution and Comprehensive Plan.

When a resident purchases a home in a particular community, they are making a choice about the type of community they want to live in. By simply reading their local zoning resolution, property owners can tell whether their next-door neighbor will be another single-family home, a multi-family home, a day care center, or a hotel. And, prospective buyers can make reasoned decisions as to whether the neighborhood they are looking into allows uses which they find to be in conflict with raising their family or opening their business.

For instance, families with small children rarely seek homes located next to industry, liquor stores, hotels, or bus terminals. And their realtor can (and is duty bound) to tell them what the local zoning permits in the neighborhood they are considering so that they can make the best choice for their family. Other buyers might want to live in a mixed-use community with shops and day care facilities located near their homes. These families will seek out very different neighborhoods, generally in different areas of their community. The local zoning resolution guides both of their decisions and helps to maintain the quality and character of the neighborhoods they choose.

By virtually eliminating local regulation of short-term rental properties, HB 563 shatters the certainty that community residents gain from an appropriate zoning resolution. A family may move into a neighborhood of single family homes, expecting to find a community of like-minded homeowners, many of whom will be interested in developing a sense of community in the neighborhood, helping one another, and investing their time and talents to improve the schools in the area, only to find instead a neighborhood where multiple homes house transient residents who, at best, have no long-term interest in the community and, at worst, act in ways that are a nuisance and disruptive. As seen in some short-term rentals in Hamilton County, the latter type of renters will use the properties for raucous parties or for more nefarious purposes – without a care for the neighboring property owners who they will never see again after their rental contract ends.

Specifically, in Springfield Township, there have been a few instances where property owners have operated an unregulated short-term rental properties, and neighbors have called our code enforcement office to complain about parking, noise, and litter generated by the guests. There was even one instance where a fight broke out in an unregulated short-term rental property, and Township police were called by an adjacent property owner. The owner of the short-term rental was notified, but was not able to tell the officer who was staying in their house, or what their purpose for visiting the area was. Understandably, the neighbor was shaken when they were informed that the house was being rented for additional income on Airbnb.

While it is undoubtedly true that there are some homeowners who have used their property as a residence for some years, and who wish to make some extra cash by renting their homes out for short periods via Airbnb, it is not clear to me why the rights of these homeowners are superior to the rights of their neighbors who want to continue their quiet enjoyment of their own properties, and preserve the character of their neighborhood. Also, it is clear that the model of the individual homeowner who occasionally rents out their home is rapidly giving way to a model where individuals and companies are buying multiple homes in residential neighborhoods with no intention of living there, or even renting to someone who will live there. Rather, these companies intend to monetize these homes with exclusively short-term rentals. While there is nothing wrong with this business model, I cannot see how there is something so inherently valuable about it that the State would want to exempt it from the normal sorts of zoning regulation that every other business and resident is subject to.

I believe that maintaining the long-settled position that local jurisdictions can adopt zoning regulation, subject only to constitutional constraints, is the best way to balance fairness to those who wish to operate short-term rental establishments with fairness to those in the community who do not—just as local zoning regulations maintain fairness for other types of business establishments. I think that Springfield Township's approach to this issue is a strong example of how these interests can be fairly balanced by a local jurisdiction. In 2019, in response to complaints by Township residents, Springfield Township evaluated the pros and cons of regulating short-term rental properties in the Township. As a result of our evaluation, we revised our Zoning Resolution to specifically allow short-term rental

properties as a permitted “as of right” use in certain areas of the Township and to allow such rentals in other areas of the Township as “conditionally permitted” uses. Thus, someone who wants to operate a short-term rental property has multiple options for where to conduct this business, and residents who wish to avoid living in an area with such establishments can do so.

If House Bill 563 is passed, local jurisdictions will not be able to maintain the balance between the rights of those who wish to operate a short-term rental property and those who wish to live in a truly residential community—the State will have tipped the balance fully in favor of individuals and companies who wish to operate short-term rental properties, over every other resident and form of business. This is neither necessary, nor appropriate.

For these reasons, Springfield Township is strongly opposed to HB 563 and we strongly encourage you to oppose the Bill as well. Mr. Chairman, thank you for the opportunity to testify before you this morning. I would be happy to answer any questions you or the committee members may have.