

**From:** [Wolfgang Dieterich](#)  
**To:** [Neil Bradshaw](#); [Participate](#); [Courtney Hamilton](#); [Amanda Breen](#); [Michael David](#); [Jim Slanetz](#)  
**Subject:** Re: STR ordinance feedback and next steps  
**Date:** Thursday, November 18, 2021 9:38:24 AM  
**Attachments:** [image.png](#)  
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A few more thoughts on the ordinance:

- What is the city's plan to find / identify non-compliant STRs? When looking at an VRBO or Airbnb listing, how will the city know that this STR is registered with the city? I would suggest assigning each STR renter a unique id, tied to that property, that must be present in the Airbnb/VRBO listing. It could take the form of a picture of the permit, or just a unique id present in the rental description. Thinking as a software engineer, which is my day job, one solution that would ensure the renters can't fake an id is to make the ID an encrypted representation of the property address. This just means that the City and only the City, could take that encrypted ID and decrypt it to the property's address.
- For the deterrent mechanism, which is currently just a one-time \$100 fine for non-compliance, I would recommend making the fee based on the revenue collected by the unit during the time of non-compliance. I don't see any reason why the City shouldn't fine the owner 100% of the revenue made while the unit was in non-compliance. Some grace period for a few booked nights of non-compliance could be reasonable, but any owner who rents their place more than 5 nights without a permit should be penalized in proportion to their revenue as they are clearly flaunting the law.

And another question the City needs to answer:

- Since 2010 in Vail, nearly 90% of homes for sale were sold to unoccupied homeowners (see second image below). What is this % for Ketchum?
  - The proportion of homes in Ketchum that are for "seasonal use" is higher than ever according to SVED (see first image below). This trend as you can see from the graph is crowding out rentals and even owner occupied units. STRs are an accelerant here because they allow non-residents to subsidize the costs of these units, an option local residents don't have.
  - To mitigate this issue, Ketchum needs to start protecting existing housing stock for full-time residents. Deed restrictions like Vail's InDeed program and limits on STRs will both help to reverse this trend.
  - If we fail to mitigate this trend, Ketchum will truly become like Disneyland, with no one actually living here.

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Many thanks,  
Wolfgang

On Wed, Nov 17, 2021 at 10:07 PM Wolfgang Dieterich <[wdieterich@gmail.com](mailto:wdieterich@gmail.com)> wrote:

Dear Mayor Bradshaw and City Council Members,

Regarding the meeting on short-term rentals tomorrow, I support the proposed ordinance, however I think the city should not stop here.

At the previous meeting, the council was questioning what could be gained by implementing a limit on the number of STRs, similar to Sandpoint, speculating there would be very few STR to long-term rental conversions. I believe this framing is misguided. In making the decision to regulate STRs based solely on how many long-term rentals conversions we expect, the city council is disregarding the past and future damage STRs inflict on housing availability and affordability for both ownership and rentals.

Short-term rentals (STRs) are a major contributing factor in our housing crisis.

- STRs increase demand for residential property from investors
- Reduce the supply of housing available to rent or own
- Earn 5 times more than long-term rentals per night incentivizing landlords to convert
- And allow second home owners to outbid local workers on purchases through supplemental income.

Because of their effect on affordable housing, STRs need to be limited (following the Sandpoint model) and taxed more heavily, both to disincentivize STRs, and to capture some of the revenue from this lucrative market. STRs compete with hotels and should be held to the same standards. The City also needs to take concrete and transparent steps to change Idaho State law on STRs in collaboration with other Idaho resort towns, allowing Ketchum greater control over limiting STRs.

Opponents of regulation, including the Sun Valley Board of Realtors, have been arguing against regulation.

- Their argument is: if you limit STRs, many condos will sit empty. The owners want to stay there for a few months a year, so these couldn't be converted to long-term rentals.
- My counter argument: How many second-home owners can only afford their condo thanks to revenue from short-term renting it? When a new condo comes on the market, how much more can a second-home buyer afford, knowing he can short-term rent it, vs a local worker? STR revenue gives these second home owners an unfair advantage over local residents.

On tomorrow's meeting, and the proposed ordinance:

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What is the end goal of this ordinance? Is it to gather information / data on STRs to assess their impact on our community? Is it solely to ensure safety standards are being upheld in STRs, and this is likely the last ordinance to be passed here?

- The \$100 dollar fine for non-compliance needs to be much higher and brought into proportion with the revenue a STR makes. If this is the only deterrent then STR owners will continue to ignore city regulations, as they already are. The median nightly rate is \$350, so a \$100 dollar fee is way too small.
- How many STR units does Councilor Slanetz own? If the answer is more than zero, I would strongly encourage him to recuse himself from any votes that would present a conflict of interest.

I believe the City needs to start getting answers to the following to more directly address the issue:

- How many owners of short-term rentals own multiple and operate mini-hotel empires? This is cancerous to our housing stock and needs to be stopped. This should be thoroughly investigated as a by-product of this ordinance.
- There needs to be costs associated with removing an affordable residential from our housing stock, either when it's torn down, and replaced with a luxury home, or when it's converted to a STR. What legal levers does the city have here?
- Is there some way the in-lieu-of fee or an impact fee can be applied to short-term rentals?
- What stops Ketchum from limiting STRs like Sandpoint? Why aren't we copying what they did?

Thanks for your time and service.

Best regards,  
Wolfgang Dieterich  
Ketchum ID  
Founder of [www.AirbnbKills5B.com](http://www.AirbnbKills5B.com)