

To: Housing And Community Development Committee

From: Ben Schnelle, Housing and Community Development Associate

Subject: Summary Of November 16th Housing And Community Development Committee Meeting



On November 16th, 2023, the MMC Housing + Community Development Committee met virtually to discuss two topics: 1) corporate ownership of single-family homes in the Chicago region, and 2) best practices in communicating with and regulating short-term rentals. This memo summarizes the discussion, resources mentioned, and potential next steps.

Discussion Summary

Amanda Kass of DePaul University's School of Public Service, and Geoff Smith of DePaul University's Institute for Housing Studies, presented on an upcoming project in partnership with MMC that will seek to understand how communities have been impacted by corporate investment in single-family homes. After a poll and brief presentation, Geoff and Amanda facilitated a discussion to understand how the research project can be most helpful for municipalities. Key points from the discussion are as follows:

- Key takeaways from the poll:
 - Over half of attendees see issues related to single family rental properties as highly relevant.
 - One third of attendees are able to distinguish between single family rentals owned by local landlords and national corporate investors.
 - In a question about the top challenges faced, the most common response was about property maintenance. Other responses noted affordability, shifts to short term rental use, tenant/owner relations, and ensuring these properties are compliant with license or registration programs.
 - In a question about what types of information would be most useful, the top response was for best practices of how other local governments have addressed these issues.
- One attendee stated they hope the project can help with the following questions: "How can a local jurisdiction effectively distinguish between in-state and out-of-state property investors, particularly when considering large-scale investors versus smaller-scale out-of-state owners who may own around 5-10 properties? Furthermore, considering that large corporate investors could potentially register as an in-state LLC to avoid being classified as out-of-state investors, what would be the recommended approach to address this issue?"
- One attendee asked how the project is defining corporate investors vs local landlords, and if there is evidence that corporate investors have worse outcomes for tenants and communities. Amanda Kass shared that the project is focusing on four specific corporate investors and will learn about outcomes for tenants and communities.
- Several attendees stated they want to know what options non-home rule communities have.
- Representative Mussman asked if there is a need to explore an exemption for non-home rule communities to enact policy related to corporate investor ownership.

Lara Dailey, who oversees Public Policy and Government Affairs for Airbnb throughout the Midwest, presented an overview of best practices in short term rental regulation and communication. Regulation best practices pulled from a [report](#) co-developed by the U.S. Conference of Mayors and Airbnb. Ms. Dailey also presented on transient occupancy tax best practices and Airbnb resources such as the [Law Enforcement Portal](#) and [City Portal](#). The main point of discussion was that municipalities want to know the location and contact information of short-term rentals so that they can communicate with them about regulation or licensing. Ms. Dailey shared that the company is not able to disclose specific locations of host. However, Airbnb can partner with a municipality to support host education through Airbnb communication channels.

Next Steps

The DePaul University and MMC project on understanding the impact of corporate ownership of single-family rentals and local policy responses will begin in the spring of 2024. MMC will contact municipal staff and elected officials in communities that DePaul has identified as particularly impacted by corporate investors over the previous decade. Focus groups will be held to learn from local leaders about impacts, policy responses, and information needs. Anyone interested in the process can contact Ben Schnelle at bschnelle@mayorscaucus.org, Geoff Smith at GSMITH33@depaul.edu, or Amanda Kass at AKASS2@depaul.edu.

Those interested in connecting with Airbnb, either to learn about resources mentioned in the presentation or discuss other items, can contact Lara Dailey at lara.dailey@airbnb.com.

Resources Mentioned

The Village of Mount Prospect's [Rental Licensing and Inspection programs](#).

- An attendee from the Village of Mount Prospect shared that the Village's rental licensing and inspection programs have been helpful in improving accountability of corporate owners of single-family homes.

[United States Conference of Mayors Best Practices for Short-Term Rentals](#)

- Case studies included in Lara Dailey's presentation drew from this report.

[Drafting Rental Regulation Ordinances for Illinois Municipalities: A Short Guide For Local Officials](#)

- This guide, developed by the Center for Community Progress, outlines options for home-rule and non-home rule communities to regulate rental properties.