

# The Airbnb Controversy (1)

The Bethlehem Gadfly Airbnb, Gadfly's posts, Serious Issues October 2, 2018

*(1st in a series of posts on Airbnb)*

## Airbnb

### Airbnb locations in Bethlehem

Airbnb operates an online marketplace where members can offer lodging, primarily homestays, on a short-term basis.

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We'll tag this the "Airbnb" issue for Gadfly purposes.

Gadfly needs to come up to speed on this one, so people interested in this issue should pitch in.

The basic situation is this. Through Airbnb, homeowners, who may or may not live fulltime in a house, rent rooms or the whole house on a short-term basis. Airbnb rentals might be anywhere in town, but the issue with them is acute in the Northside Historical District where speculators are buying houses and basically changing the character of the neighborhood. Residents complained to City Hall, which has responded with legislation. There has been a continued problem of enforcement of that legislation, however, and homeowners are fighting back. One owner (Brew and Williams) has sued the City over the validity of the ordinance on short-term rentals. Residents are upset. The City is trying to respond.

### **Timeline:**

1) Nicole Radzievich and Matt Assad, "Airbnb ruffles feathers in historic Bethlehem neighborhood." *Morning Call*, June 16, 2017.

<http://www.mcall.com/news/local/bethlehem/mc-historic-bethlehem-homes-airbnb-20170617-story.html>

Contains video of the central figures — homeowners Jay Brew and Mary Ellen Williams

"The Uber of the hospitality market, Airbnb acts as an online broker, connecting people who need a place to stay with hosts who have a spare bedroom, apartment or a full house to rent. Rates tend to be lower than at hotels or traditional bed-and-breakfasts, in part because the rentals are harder to pin down for taxes. Hoteliers are pressuring city officials to level the playing field by taxing Airbnb enterprises and limiting where they can set up shop. Bethlehem officials are trying to figure out how to regulate the home-sharing businesses and fit them into zoning laws."

2) Nicole Radzievich, “Bethlehem tackles home-sharing issue – Planners considering measure that would drop the number of rooms owners can rent out.” *Morning Call*, November 10, 2017.

<http://www.mcall.com/news/local/bethlehem/mc-nws-bethlehem-hotel-home-sharing-20171109-story.html>

“Neighbors in the historic district took issue with the Chandler House, a Market Street property that owners Dr. Mary Ellen Williams and Jay Brew bought next to their home and started renting on the Airbnb website. They also bought other homes nearby.”

3) Nicole Radzievich, “Council passes home-sharing regulations — Bethlehem tightens controls for short-term stays, including hosts must register properties.” *Morning Call*, November 22, 2017.

<http://www.mcall.com/news/local/bethlehem/mc-nws-bethlehem-home-sharing-hearing-20171121-story.html>

“Historic residents filtered into City Hall to support restrictions on home-sharing, arguing that short-term visitors are staying in what essentially is a hotel in a residential district and ruining the character of the neighborhood and create parking, noise and safety concerns.”

“Home-sharing hosts would need to register with Bethlehem and get their home inspected annually much the same way as landlords who rent homes to tenants under the regulated rental ordinance. The hosts would also have to keep a list of visitors and the duration of stay.”

“The regulations would allow any homeowner to rent as many as two bedrooms in the house where they live for up to 30 consecutive days. The owner must occupy the home under that arrangement.”

“The proposal would also allow owners to rent their entire primary residence for 30 consecutive days or 30 days within each calendar year. Under that arrangement, the owner would not have to be present.”

4) Daryl Nerl, “Bethlehem passes law regulating Airbnb rentals.”

*Morning Call*, December 7, 2017.

<http://www.mcall.com/news/local/bethlehem/mc-nws-bethlehem-home-sharing-vote-20171206-story.html>

“An ordinance that places restrictions on Bethlehem homeowners who rent their bedrooms or houses to visitors through Airbnb and similar home-sharing platforms was adopted unanimously by City Council on Tuesday night.”

“In an amendment to the initial bill that council passed on first reading in November, homeowners are also barred from renting out whole

houses for less than seven consecutive days — effectively limiting to four the number of times in any year that a house can be leased short-term.”

## **SHORT-TERM RENTAL LAW**

- **Hosts must register with city, get homes inspected for \$100 annually and keep a log of visitors and duration of their stays.**
- **Homeowners can rent as two bedrooms in the house where they live for up to 30 consecutive days, provided they remain in the house while the rooms are rented.**
- **Hosts who lease whole houses — and do not remain in the house — are barred from doing so for more than 30 consecutive days or 30 days in any calendar year.**
- **Homeowners are barred from renting out whole houses for less than seven consecutive days.**

5) Nicole Radziewich, “Bethlehem’s home-sharing ordinance challenged — Owners of Airbnb-listed properties file action — in county court.

*Morning Call*, June 22, 2018.

<http://www.mcall.com/news/local/bethlehem/mc-nws-bethlehem-home-sharing-ordinance-lawsuit-20180621-story.html>

“Bethlehem’s fledgling home-sharing law, which cracked down on a trio of historic homes listed on the Airbnb website, is being challenged in Northampton County Court. The legal action filed Tuesday alleges the law, which includes a provision that short-term residential rentals be owner-occupied, should have been addressed through a zoning ordinance and that the city didn’t go that route because it would mean those existing rentals in the historic district would have been ‘grandfathered in’.”

“The business caused backlash among neighbors in the city’s original historic district prized for its large, ornate homes and proximity to Main Street. Among the chief critics was Hotel Bethlehem’s managing partner Bruce Haines, who once called that home-sharing business in the historic district ‘an extension of the hotel system’.”

“The city in June 2017 initially cited the owners for multiple zoning violations, arguing a bed and breakfast, hotel and rooming house were illegally being operated at the properties.”

“The city began work on a new ordinance that would regulate the home-sharing industry. The effort was championed at City Council meetings by many historic district residents who complained that homes were being essentially run as a hotel in a residential district, ruining the neighborhood’s character and creating parking, noise and safety concerns.”

6) There was significant discussion at the Sept 4 meeting, with City Solicitor Leeson weighing in on the seeming impotence and delays residents were experiencing. The minute of that meeting are not available yet.

7) Nicole Radzievich, “City to step up enforcement of home-sharing law – Bethlehem will have inspectors ‘on call’ Thurs. through Sun.” *Morning Call*, September 20, 2018.

<http://www.mcall.com/news/local/bethlehem/mc-nws-bethlehem-short-term-lodging-enforcement-20180919-story.html>

“Starting this weekend, Bethlehem is stepping up enforcement of a new law that regulates an emerging business where residences are rented out to overnight to visitors.”

“Mayor Robert Donchez announced this week he is putting his inspectors ‘on call Thursday and Friday evenings and on Saturday and Sunday to investigate complaints about possible violations of the short-term lodging ordinance which, among other things, requires the home be owner-occupied and licensed by the city.”

“The owner of those properties has also challenged the validity of the short-term lodging ordinance in Northampton County Court.”

8) There have been hearings in Northampton County Court and before local Judge Manwaring. I need details on these. There will be another magistrate Manwaring hearing October 5.