



**MINNESOTA
POINT 50**

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June 4, 2026

Roz Randorf
3rd District City Councilor
Duluth City Hall
411 W. 1st Street
Duluth, MN 55802

RE: Vacation Rental Policies

Dear Council Member Randorf,

As representatives of the Park Point Community Club and Minnesota Point 50, and residents of the Park Point neighborhood, we were encouraged to see the City Council enact a moratorium on short-term rental permits in late 2025 to allow City staff time to study the current system and recommend improvements. As a community, we have a keen interest in ensuring that the design and implementation of the new policies are fair, balanced, and effective—and that the new policies are enforced.

Please find, attached, a research report we have compiled focused on the current rental situation on Park Point and detailing some promising practices that have emerged from other communities. Included in the report is a set of recommendations for consideration as the City works with Park Point and other neighborhoods to refine its approach to vacation rental permits. Duluth has an exciting yet pressing opportunity to balance the priorities around vacation rentals, to preserve housing availability and affordability while respecting the owners of rental properties, and to fundamentally protect the integrity, vitality, and cohesion of Duluth's residential neighborhoods, including Park Point.

Thank you for reviewing our research and considering our recommendations. We look forward to discussing our recommendations with the City Council and City staff within the next 30-45 days.

Sincerely,

Dawn Buck
President, Park Point Community Club

Pat Sterner
President, Minnesota Point 50

CC: Mayor Roger Reinert
John Dukich, Senior Advisor of Policy and Government Affairs
Ben VanTassel, Director of Planning and Economic Development

Executive Summary

Finding the Balance with Vacation Rentals in Duluth:

Recommendations from the Park Point Community Club and Minnesota Point 50

Duluth finds itself at an inflection point with respect to vacation rentals. While vacation rentals bring a number of benefits to the city, they have the potential to cause great harm to the neighborhoods in which they are located. Paramount are risks to housing availability, housing affordability, and community cohesion and vitality. Park Point, home to a disproportionate percentage of Duluth’s vacation rentals, is struggling with all three of these concerns. Under the current permitting system, these challenges will only intensify over time, threatening Park Point’s ability to maintain its identity as an inclusive, cohesive, and vibrant neighborhood—and possibly as a neighborhood at all. The need for a new approach is clear.

This research report gives voice to community members who have shared sentiments and concerns about vacation rentals and their impacts on neighborhoods. Over the past few months, the Park Point Community Club (PPCC) and Minnesota Point 50 (MP50) have conducted mixed-method research—specifically spatial mapping, qualitative research (surveying), and comparative policy analysis—on this topic. While they are not comprehensive, the results highlight community desire for capping vacation rental licenses, prioritizing community ownership over commercial ownership of rental units, and dedicating City and community resources to enforcement. Community collaboration with the City will be key to success.

PPCC and MP50 respectfully submit this set of recommendations for City Council and City staff to consider as we work together to develop a new approach to vacation rentals in Duluth.

Recommendations for Duluth

- 1. Hire a consultant to support a comprehensive redesign of vacation rental policies.**
- 2. Seek and incorporate community input into the redesign process.**
- 3. Extend the moratorium until the redesign process is complete.**
- 4. Cap the percentage of vacation rentals in neighborhoods.***
- 5. Prioritize community ownership over commercial ownership in neighborhoods.***
- 6. Require owners to designate a responsible point of contact.**
- 7. Require owners to display a Good Neighbor Guide.**
- 8. Develop and maintain a public vacation rental website.**
- 9. Dedicate sufficient City staff and resources to enforcement.***
- 10. Establish a fee structure that will fully fund enforcement.**
- 11. Implement a Resilience Tax on vacation rentals.**

These recommendations reflect input from community members, promising practices from other cities, and recommendations from the National League of Cities and other resources.¹ Our core recommendations, marked with asterisks, are to cap the percentage of vacation rentals in neighborhoods, prioritize community ownership, and ensure enforcement of vacation rental policies. Over the coming months, we urge the City to implement the first three recommendations: hire a consultant to support a comprehensive redesign of Duluth’s vacation rental policies, seek and incorporate community input, and extend the moratorium until that process is complete. Please find a table with additional rationale and notes for each recommendation at the end of this report.

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¹ [NLC: Short-Term Rental Regulations: A Guide for Local Governments](#)

Finding the Balance with Vacation Rentals in Duluth:

Recommendations from the Park Point Community Club and Minnesota Point 50

The key to keeping your balance, some say, is knowing when you've lost it. As representatives of the Park Point Community Club (PPCC) and Minnesota Point 50 (MP50), and as residents of Park Point, we have watched with unease as licensed and unlicensed vacation rentals have proliferated in our neighborhood in recent years. While we love sharing this special place with visitors and appreciate the economic value that vacation rentals bring to our community, we are worried about the negative impacts of these rentals. Specifically, we are concerned that the concentration and continued growth of vacation rentals on Park Point is reducing housing availability and affordability and eroding community cohesion and vitality. We applaud Duluth's City Council for instituting a moratorium on new permits so the City can take a closer look at these tensions and recommend an approach that will help Duluth find and maintain a balance over the coming years and decades.

This document lays out some of the context surrounding vacation rentals in Duluth—and, in particular, on Park Point. It includes background on vacation rental permitting in Duluth, a summary of why Duluth's approach to vacation rentals is so consequential for communities, and a closer look at the state of play on Park Point. It also includes a discussion and a few short case studies of how other tourist destinations have handled the questions surrounding vacation rentals and, finally, makes recommendations for the City Council and City staff to consider as they seek to reset the balance with vacation rentals in Duluth.

Background

Duluth, Minnesota, is a beautiful, vibrant city and a popular vacation destination. In 2024, CNN Travel named Duluth among America's ten "best towns to visit,"² and the Duluth Area Chamber of Commerce reports that 6.7 million people visit each year, generating more than \$780 million in economic benefit.³ The Park Point neighborhood and its access to Lake Superior are especially prized by visitors. Also in 2024, *Travel & Leisure* magazine named Park Point Beach among its 25 best beaches in America,⁴ and the community is believed to welcome hundreds of thousands of visitors each year.⁵

The City of Duluth has been working for well over a decade to accommodate a growing desire for short-term rental permits, as Airbnb, VRBO, and other online platforms have rapidly scaled the market for vacation rentals. Duluth first established a vacation permit in 2013, designed for homeowners looking to rent out their entire properties. These permits allowed the City to ensure rentals were safe and code-compliant and that they paid lodging and sales taxes. In 2015, as increased growth in vacation rentals began to challenge traditional B&B businesses, the City instituted a one-year moratorium on new permits while it established a more comprehensive approach to the short-term rental market.⁶

² [CNN: America's Best Towns to Visit](#)

³ [Duluth Area Chamber of Commerce: Planning Your Visit?](#)

⁴ [Travel + Leisure: 25 Top U.S. Beaches: From Hawaii to New York](#)

⁵ [Star Tribune: As Duluth's Park Point Washes Away, its residents take the reins](#)

⁶ [Star Tribune: As Airbnb takes off, Duluth and other cities wrestle with rules](#)

Another update followed in 2021, focused on ensuring that vacation rentals “protect neighbors’ privacy, reduce noise, and minimize disruptions, including overflow parking.”⁷ This update also established the policy that up to ten new short-term rental permits would be allowed each year, but that these additional permits would be pegged to the overall growth of housing in the city.⁸

Currently, the City of Duluth offers three types of short-term rental permits:⁹

- 1) **Accessory Home Shares (AHS)**, in which property owners permanently reside at the unit and are present during the rental period. Up to 4 guests can stay 1 to 29 nights in up to 2 bedrooms per unit, but only one rental listing per night is allowed. Duluth has no cap on AHS permits.
- 2) **Accessory Vacation Dwelling Units, Limited (AVDUL)**, in which property owners permanently reside at the unit but do not need to be present during the rental period. Up to 9 guests can stay 2 to 7 consecutive nights in up to 4 bedrooms per unit. Rentals may not exceed 21 nights per calendar year. Duluth has no cap on AVDUL permits.
- 3) **Vacation Dwelling Units/Accessory Vacation Dwelling Units (VDU)**, in which property owners rent out an entire unit without being present during the rental period. A maximum of 9 guests can stay 2 to 29 consecutive nights in up to 4 bedrooms per unit. While there is no cap on VDUs in Form Districts, which are largely commercial, Duluth has set a cap on VDUs across the rest of the city. Pegged to the total amount of housing in the City, that cap is currently 110 permits, of which 96 have been issued.

Based on a community survey conducted in early 2026 and described below, the first two types of permits—AHS and AVDUL, in which property owners permanently reside at the rental unit—do not appear to pose a significant problem at this time. However, concerns abound concerning licensed Vacation Dwelling Units, which nearly doubled over the past three years citywide,¹⁰ as well as unlicensed rentals. In November 2025, Duluth once again instituted a one-year moratorium on new short-term rentals to allow staff time to study the current system and recommend improvements.¹¹

Specific questions noted by City Councilor Lynn Marie Nephew and Director of Planning and Economic Development Ben VanTassel include:

- Which City Department should oversee permitting?
- What density of vacation rentals is appropriate for residential neighborhoods?
- How should the City enforce permit rules, including unlicensed operations?
- How are short-term rentals affecting housing availability and affordability?

In discussing the moratorium, VanTassel told the *Duluth News Tribune* that “everyone who dealt with short-term rentals was starting to get more and more frustrated. That includes the planning commission and the City Council. It includes neighbors and owners of short-term rentals working through the process, and even city staff. We’re getting to a point where it doesn’t seem like it’s working for the community anymore.”¹²

⁷ [DNT: Duluth places moratorium on short-term rental licenses](#)

⁸ [Star Tribune: Is Duluth at a vacation rental ‘tipping point’?](#)

⁹ [City of Duluth: Construction Services & Inspections: Short-Term Rentals](#)

¹⁰ [Star Tribune: Is Duluth at a vacation rental ‘tipping point’?](#)

¹¹ [City of Duluth: Council Agenda Item 25–0808R and 25-028-O](#)

¹² [DNT: Duluth places moratorium on short-term rental licenses](#)

Why We Care

As representatives of Minnesota Point 50 and the Park Point Community Club—and residents of Park Point—we have a keen interest in ensuring that the design and implementation of the new policies are fair, balanced, and effective, and we believe Duluth has a critical opportunity during this moratorium to explore permitting and zoning approaches that have proven helpful in other communities. We believe it is essential that Duluth strikes the right balance in our approach to vacation rentals.

Benefits of Vacation Rentals

Vacation rentals help welcome visitors to Duluth and promote positive tourist experiences. Many vacation rental hosts enjoy getting to know their renters, some of whom return year after year, and introducing them to the magic of our community and surrounding environment. Assuming the owners have the required permits, vacation rentals also contribute to the local economy, including by paying a 3% tourism tax to the city of Duluth. Of course, vacation rentals also have financial benefits for their owners, including members of our own Park Point community, for whom the rental revenue can be important for helping to pay property taxes and remain in the community.

Concerns About Vacation Rentals

At the same time, vacation rentals pose a number of challenges. They compete with hotels and B&Bs, and guests staying at vacation rentals may be less likely than those at hotels to dine at local restaurants.¹³ If they are poorly managed, vacation rentals can bring noise and litter to surrounding neighborhoods, and they compete with residents and other visitors for limited street parking. Visitors are also often unaware of local rules around issues like parking, beach fires, and beach access, and this lack of awareness contributes to concerns around traffic safety and the health of the surrounding environment.

In addition, Duluth faces “a significant housing shortage that has affected residents at all income levels,”¹⁴ and vacation rentals compound that shortage by occupying housing that would otherwise be available for long-term rental and owner-occupied housing. They may reduce the affordability of housing by increasing demand on the remaining housing stock and raising property taxes on surrounding homes.

Perhaps most concerning, as vacation rentals increase in density, they begin to undermine the integrity and vitality of the neighborhoods in which they are located. Neighborhoods depend on neighbors who develop trusting relationships over time, look out for one another, and build something special that is greater than the sum of their individual residents. Short-term rentals, with periods of high turnover as well as extended vacancy, dilute the community and diminish the sense of cohesion.

For all these reasons, it is critical that Duluth design a permitting system that strikes the right balance. However, it is equally important that Duluth enforce its vacation rental policies. Unlicensed rentals may disregard safety requirements, fail to pay taxes, compete with licensed rentals, compromise ecosystem health, remove yet more units from the city’s tight housing stock, decrease housing affordability, and further strain community cohesion.

¹³ [EPI: The economic costs and benefits of Airbnb](#)

¹⁴ [City of Duluth: Housing in Duluth](#)

The State of Play on Park Point

The neighborhood of Park Point is changing rapidly. The U.S. Census Bureau¹⁵ reports that, as of 2024, Park Point was home to 1,196 people and 609 housing units. The median resident age was 58.2, and the median household income was \$87,083. The median value of owner-occupied housing units was \$485,500. While it is difficult to find precise historical comparisons—and even reliable, comprehensive data on current conditions—we have observed that the population and number of housing units on Park Point appear to be decreasing while the median resident age, the median household income, and especially the value of housing units are rising. It is difficult to untangle and measure the contributing factors at play in these changes, but it seems clear that the rapid growth of vacation rentals has been one driver of change and also that these rentals threaten to continue and accelerate the gentrification process on Park Point.

As noted above, our research into the state of play on Park Point was constrained somewhat by the lack of accessible data about the community profile of Park Point—including home size, home value, percentage of homesteaded versus second homes, and other characteristics—as well as how that profile has changed in recent years and relative to Duluth as a whole. We would appreciate the chance to work with the City to understand our situation more clearly.

Data About Vacation Rentals on Park Point

The City of Duluth currently manages 189 vacation rental (VDU) permits. Of these, 93 are in Form Districts, which are largely commercial, and the remaining 96 are in non-Form Districts, which are largely residential. As noted above, VDUs are unlimited in Form Districts and currently capped at 110 in non-Form Districts. Of those 110 available permits, 96 are currently active.¹⁶ While Duluth typically awards permits on a lottery basis, the open slots will remain unfilled while the moratorium is in effect.

These citywide numbers conceal the differential experiences of different neighborhoods as well as the combined impact of licensed and unlicensed vacation rentals. According to the 2024 American Community Survey, Park Point has 609 housing units,¹⁷ representing just 1.5% of Duluth's total of 41,325 units.¹⁸ If the City's 189 VDU permits were distributed evenly across the City, our neighborhood would be home to only three vacation rentals. However, the reality is dramatically different.

The *Minnesota Star Tribune* found that, as of October 2025, “about two dozen properties—a quarter of those in Duluth with a residential permit” are located on Park Point.¹⁹ Our own research largely confirms this assessment. A list of short-term rental permits shared by City staff reveals 38 addresses on Park Point. Of these permits, eight are Accessory Home Shares (AHS) and two are Accessory Vacation

¹⁵ [Census Reporter: Census Tract 22, St. Louis, Minnesota](#)

¹⁶ [DNT: Duluth places moratorium on short-term rental licenses](#)

¹⁷ [Census Reporter: Census Tract 22, St. Louis, Minnesota](#)

¹⁸ [Census Reporter: Duluth, Minnesota](#)

¹⁹ [Star Tribune: Is Duluth at a vacation rental 'tipping point'?](#)

Dwelling Units, Limited (AVDUL), both of which require the owner to permanently reside at the unit. The remaining 28 are Vacation Dwelling Unit (VDU) permits, which allow owners to rent out an entire unit without being present.

These 28 permits, marked with green stars on the map to the right, represent 15% of all VDU permits in Duluth and 29% of VDU permits currently allowed in non-Form Districts, or residential neighborhoods. These units are concentrated in the one-mile stretch of South Lake Avenue between the Lift Bridge and the stop sign at 19th Street but exist throughout the neighborhood.

However, legally permitted VDUs represent a portion of the total vacation rental market on Park Point. The *Star Tribune* also found that “several hundred more properties can be found for rent in Duluth online”—including “at least another dozen apparently unlicensed properties” on Park Point.²⁰ Some of these possibly unlicensed vacation rentals are marked with purple stars on the map.



Experience with Vacation Rentals on Park Point

In March 2026, Minnesota Point 50 and the Park Point Community Club launched a survey of Park Point residents to ask what people appreciate about living in this community; how the community feels about long-term rentals, short-term rentals, and the moratorium on new short-term rental permits; and what actions community members and City leaders can take to maintain a sense of community on Park Point. More than 80 individuals responded to the survey. Please contact Dawn Buck, President of the Park Point Community Club, to review survey responses.

²⁰ [Star Tribune: Is Duluth at a vacation rental 'tipping point'?](#)

Appreciation for the sense of community was a strong theme of survey responses. Representative statements include:

- “I deeply value the close relationships we have with our neighbors. It’s more than just living next door to people; we truly take care of one another, offer support through the seasons, and make sure to celebrate life’s wins together.”
- “I also value the neighborliness we have here. Neighbors help each other, they talk with each other and share food and stories.”
- “What we love the most is the strong sense of community. I have never lived anywhere that comes close to what we have here.”

Respondents shared a range of opinions about vacation rentals. Some expressed the view that rentals are important for helping long-term residents pay for rising taxes and remain in the community. Others shared the belief that property owners should be allowed to use their property however they like. One respondent arguing against a cap noted that, “I see it as a fairness issue. I could have had a short-term rental with my cottage, but the City of Duluth has allowed only certain individuals to prosper from short-term rentals that they were fortunate enough to get early on, or they have allowed corporations to prosper, which is wrong.”

The vast majority of respondents, however, expressed concern about the proliferation of vacation rentals on Park Point. Specific concerns include the impact on:

- Housing availability, including owner-occupied and long-term rentals;
- Housing affordability, through increased real estate costs, property taxes, and rent;
- Safety, due to increased traffic, lack of familiarity with neighbors, and loss of “eyes on the street”;
- Quality of life, due to noise, litter, speeding traffic, and parking challenges; and
- Community cohesion, due to the fact that short-term rental units often stand empty and that short-term visitors occupy units that would otherwise be filled with residents who are more likely to engage in community activities and build relationships with their neighbors.

Asked whether there should be a cap on the number of vacation rentals on Park Point, roughly 10% of the 81 respondents said there should not be a cap, and another 10% did not have an opinion. However, the remaining 80% responded that there should be a cap. As for the ideal cap, suggestions ranged from 33% to 2% of all homes, and from one vacation rental per block to one rental every four blocks. The most frequent recommendations were around 10% to 20% per block.

Representative statements include:

- “Yes, there should absolutely be a cap on the number of rentals per block. The high percentage of short-term rentals is already reducing housing availability and affordability, damaging community cohesion, and reducing quality of life for residents.”
- “Yes. Because housing is such an issue for Duluthians, I’d love to see less short-term rentals and more either long-term rentals or houses for full-time ownership. I would think something closer to 85%-90% owner occupancy and 10%-15% short-term rentals would be a better balance for creating a vibrant neighborhood community.”
- “Yes, we need to cap it NOW. If any more vacation rentals are allowed, the traffic, noise, and

environment impact would increase. It will become less and less desirable even for the short-term rental population. Please don't allow any additional vacation rentals. I don't know what the right number is, but we have already surpassed it."

Compounding Factors on Park Point

Three compounding factors deepen the impact of licensed and unlicensed vacation rentals on Park Point. First, as Park Point has gentrified in recent years, the average home size has increased and the number of homes has decreased. In addition, an increasing percentage of the homes on Park Point are used as second homes or family vacation properties. As with the conversion of housing to short-term rental units, these underlying trends reduce the number and concentration of engaged residents on Park Point, straining community cohesion and vitality. As one survey respondent shared, "We used to know our neighbors. Now most of the homes in our block have owners who use them as vacation homes, and absent owners who rent out using a management company."

Second, Park Point's location, which provides easy access to the beach, the bay, and Canal Park, means that it will likely remain in high demand for tourists. This makes the neighborhood especially vulnerable to the city's current system of vacation rental permitting. While the addition of new permits is tied to the growth of the city's total housing stock, in practice, new vacation rentals and the new housing are landing in different neighborhoods, and a disproportionate percentage of new vacation rentals are landing in Park Point. The current permitting system has no remedy for this problem. Uncorrected, this design risks flipping Park Point from a residential neighborhood to a commercial district that caters largely to tourists. One survey respondent noted that, "If there is no cap, houses will continue to be purchased for rentals, taxes will continue to rise, and what will that do for all of us who love living here? [...] I hate to think that Park Point will become a destination only for those who are wealthy out-of-towners!"

Finally, Park Point is situated on a sensitive ecosystem. The longest freshwater sandbar in the world, Minnesota Point features white and red pine forests, bogs, sedge meadows, wetlands, thickets, lake and bay beaches, and sand dunes. This ecosystem is vulnerable to threats including erosion, invasive species, and intensifying storms. These challenges are growing with the increasing severity of climate change as well as pressures from development and tourism, ironically drawn by the natural beauty that it threatens to undermine. Community members report that short-term visitors are often unaware of the vulnerability of these ecosystems and rarely focused on nurturing their long-term health. "We are losing housing to rentals where folks don't feel or have 'ownership' in the community," said one survey respondent. "This is tearing down the very fabric of what makes our community unique and undermines efforts to take care of this environmentally sensitive sandbar."

Potential Responses

Duluth is far from the first community to wrestle with the impacts of vacation rentals on residential neighborhoods, and the regulatory landscape is changing quickly as more communities struggle with housing shortages. A number of organizations and resources exist to support communities looking to

establish balanced and effective approaches to vacation rental permitting and enforcement.

- At the local and state level, a number of grassroots organizations working to preserve housing availability and affordability have advocated for vacation rental regulations that align with these priorities. Examples include the TX Neighborhood Coalition,²¹ which has local chapters across Texas, and Keep Neighborhoods First²² in Los Angeles.
- At the national level, the National League of Cities, a century-old organization made up of local government leaders, released a report in 2022 called “Short-Term Rental Regulations: A Guide for Local Governments.” Based on an analysis of 60 short-term rental ordinances across the U.S., the guide lays out a detailed overview of considerations and best practices.²³
- At the international level, Inside Airbnb provides data and advocacy about the impact of the vacation rental market on neighborhoods. In March 2026, Inside Airbnb published a report arguing that “Airbnb is no longer primarily a platform for ‘home sharing,’ but a global system of commercialised, unhosted short-term rentals that is structurally incompatible with, and poses a systemic risk to, long-term housing.”²⁴

In response to the detrimental effects of short-term rentals, some cities have adopted **severe restrictions or outright bans**. Some cities, including Las Vegas,²⁵ New York²⁶, and Santa Monica,²⁷ have banned short-term rentals except where the host is present during the rental. In Minnesota, Apple Valley, Bloomington, and Edina have banned short-term rentals entirely.²⁸

Some cities **distinguish community ownership from corporate ownership** and seek to allow community-owned rentals while disallowing those owned by investors and corporations. Some cities have capped the number of nights per year that a unit may be rented in order to discourage investment properties.²⁹ The predominant tool to prioritize community ownership, however, is the primary-residence requirement, which limits short-term rental permits to hosts who occasionally rent out their primary residence and disallows vacation rentals of second homes or investment properties. Examples include Denver,³⁰ Los Angeles,³¹ and San Francisco.³² Both Atlanta³³ and Seattle³⁴ allow hosts to run up to two vacation rentals, with one being their primary residence.

Many cities use **zoning overlays and other tools to shape the vacation rental market**. Many communities have established different rules for commercial and residential areas, as has Duluth, or set individualized caps for certain neighborhoods, zip codes, or census tracts that are historic, are

²¹ [TX Neighborhood Coalition](#)

²² [Keep Neighborhoods First](#)

²³ [NLC: Short-Term Rental Regulations: A Guide for Local Governments](#)

²⁴ [Inside Airbnb: The Threat of Short-Term Rentals to Housing](#)

²⁵ [City of Las Vegas: Can My Home Become a Short-Term Rental?](#)

²⁶ [NYC 311: Short-Term Rental Registration](#)

²⁷ [City of Santa Monica: Overview of the Home-Sharing Ordinance](#)

²⁸ [Star Tribune: Is Duluth at a vacation rental ‘tipping point’?](#)

²⁹ [Bloomberg: Cities are Cracking Down on Short-Term Rentals. Here’s How.](#)

³⁰ [Truvi: Denver Airbnb Rules: What You Need to Know](#)

³¹ [Truvi: Los Angeles Airbnb Laws Overview](#)

³² [Truvi: San Francisco Airbnb Laws: A Complete Guide](#)

³³ [Truvi: Atlanta Airbnb Laws: A Complete Guide](#)

³⁴ [Truvi: Seattle Short-Term Rental Laws: How to Do It Legally](#)

environmentally sensitive, or face particularly high impact from tourism. The National League of Cities confirms that “Cities can decide to limit the availability of [short-term rentals] in specific areas of cities, such as particular residential areas or neighborhoods with specific historic character.”³⁵ San Diego, for example, has set a cap for vacation rentals of 1% of all housing units citywide but established a separate cap of 30% for the Mission Beach neighborhood, a popular tourist destination.³⁶ Palm Springs, California, has set a cap for vacation rentals of 20% per neighborhood.³⁷ To prevent clustering, Las Vegas bans vacation rentals within 660 feet of other vacation rentals.³⁸ New Orleans has limited vacation rentals to one per square block in residential neighborhoods and largely banned them in historic areas.³⁹

Once the permit structure is set, cities can increase the likelihood of positive outcomes for vacation rental owners, guests, and neighbors by establishing **clear expectations around permit requirements**. Many cities require owners to designate a point of contact who must be available at all times to address concerns. Many cities host websites dedicated to sharing information about vacation rentals—such as information about local vacation rental policies, addresses and points of contact for licensed rentals, and procedures for filing complaints—and many maintain hotlines for filing complaints. Another common practice is requiring owners to post physical Good Neighbor Guides in rental units that include information about the surrounding community; rules about noise, trash, and parking; and what to do in case of a problem or emergency.

Finally, **enforcement of permit policies** is essential. The National League of Cities advises that “cities need to move away from reactive to proactive enforcement when possible. Effective enforcement is key to an ordinance’s success. Without regulations that clearly define what a short-term rental is, a database of units being operated, and contact information for those units, cities are effectively rendered helpless in enforcing their regulations.”⁴⁰ The National League of Cities also notes that “dedicated resources, time, staff, and money are necessary for successful enforcement,” but that “enforcement can be revenue neutral or positive for municipalities when license, permit, and tax revenue offset costs.”

³⁵ [NLC: Short-Term Rental Regulations: A Guide for Local Governments](#)

³⁶ [City of San Diego: Short-Term Residential Occupancy](#)

³⁷ [City of Palm Springs: Vacation Rentals](#)

³⁸ [City of Las Vegas: Can My Home Become a Short-Term Rental?](#)

³⁹ [Lodgify: What Hosts Need to Know about New Orleans Airbnb Laws](#)

⁴⁰ [NLC: Short-Term Rental Regulations: A Guide for Local Governments](#)

Case Studies

Our research surfaced three communities—Cook County, Minnesota; Saugatuck, Michigan; and Honolulu, Hawai'i—whose approaches to vacation rental permitting and enforcement seem to offer insights for Duluth. Summaries and links to more detailed information follow.

COOK COUNTY, MINNESOTA

Cook County, home to Grand Marais and other vacation destinations, employs a part-time Vacation Rental Administrator, Andrew Beavers. Andrew spoke with MP50 in March 2026. Cook County adopted its Vacation Rental Ordinance⁴¹ in May 2019 and manages 376 active licenses.

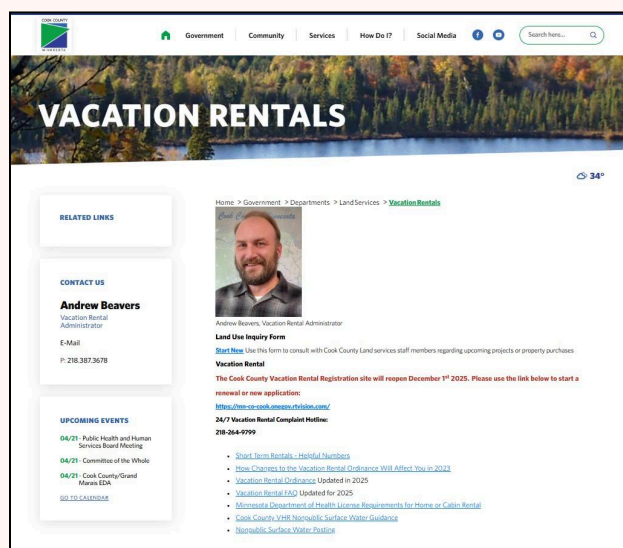
Cook County has several requirements for vacation rentals, including:

- 1) A point of contact who is available 24/7 and able to physically respond within three hours;
- 2) A conspicuously placed placard identifying the name of the license holder and management entity, license number of the rental, and emergency contact information;
- 3) A URL with the rental listing, to support compliance enforcement;
- 4) Proof of a lodging license from the Minnesota Department of Health;
- 5) Payment of license fees and the 3% Cook County lodging tax; and
- 6) Proof of liability insurance.

Cook County charges a license fee of \$600 per unit per year. Andrew noted that Cook County rentals charge an average of \$350 to \$400 per night, so most permit holders recoup these costs quickly. Andrew actively manages renewals and tracks his outreach to permit holders. He has found that fee-based platforms that claim to support enforcement (notably Host Compliance, owned by Granicus) are unreliable and miss a large number of rentals. Cook County charges a \$500 fee for permit holders who miss the renewal deadline and an \$800 fee for those caught renting without a permit. Both penalties are on top of the \$600 license.

These fees, which pay for Andrew's time, help the County by ensuring that rentals are safe and pay the lodging tax, which supports tourism. The fees also support rental owners, as they enable Andrew to support permit holders with renewals, assist renters and neighbors with questions and concerns, and root out unlicensed rentals and badly behaving renters.

The County maintains a website with contact information for Andrew, a 24/7 hotline for questions and complaints, and links to the ordinance and other information.⁴²



⁴¹ [Cook County Vacation Rental Ordinance Number 62](#)

⁴² [Cook County: Vacation Rentals](#)

SAUGATUCK, MICHIGAN

Saugatuck is a small city on the Eastern shore of Lake Michigan. Similar to Park Point, it has a year-round population of roughly 1,000 people, but its beautiful beaches draw more than 3,000 seasonal residents and large numbers of tourists each summer.



In March 2023, the City of Saugatuck established a Task Force of nine community members and hired an independent consultant to study the issue of short-term rentals. As part of its research, the Task Force hosted a public Town Hall and completed a comprehensive resident survey.

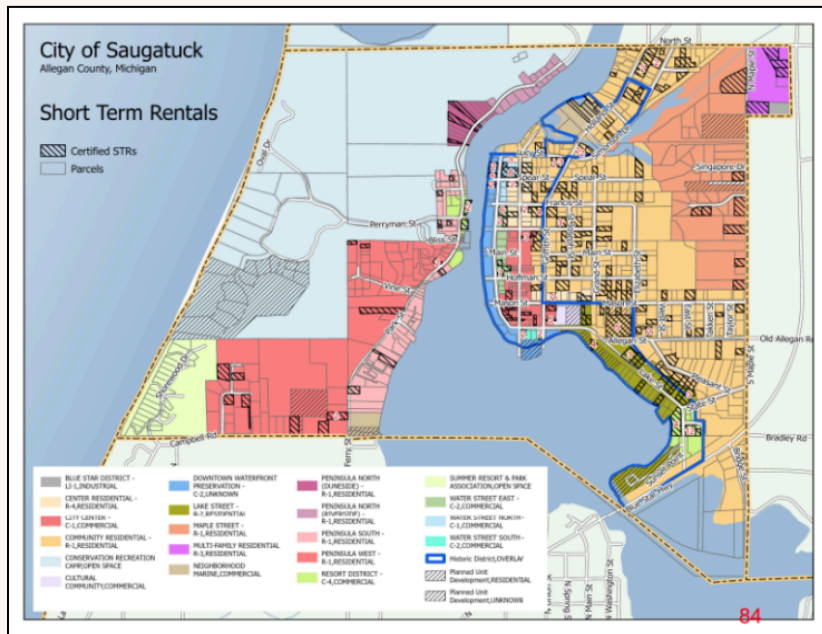
In September 2023, the City released a report laying out its recommendations.⁴³ These included creating a Good

Neighbor Guide, establishing a noise ordinance, ensuring fire safety and adequate trash service, hiring a dedicated code-enforcement officer, creating a public database listing contact information for all short-term rental permits, enhancing parking signage, and establishing caps on rentals in residential areas.

In August 2024, Saugatuck’s City Council voted to place a 20% cap on short-term rental licenses in the city’s R1 residential districts, where short-term rentals are concentrated.⁴⁴ Six districts are affected, with caps ranging from two to 76 permits.

Accessory dwelling units do not count toward the cap, and full-time residents are allowed to rent out their homes for up to three weeks per year.

In districts that already exceeded the cap when the policy was adopted, the City grandfathered in all current licenses until the property changes ownership. When new licenses become available, they are issued through a lottery system.

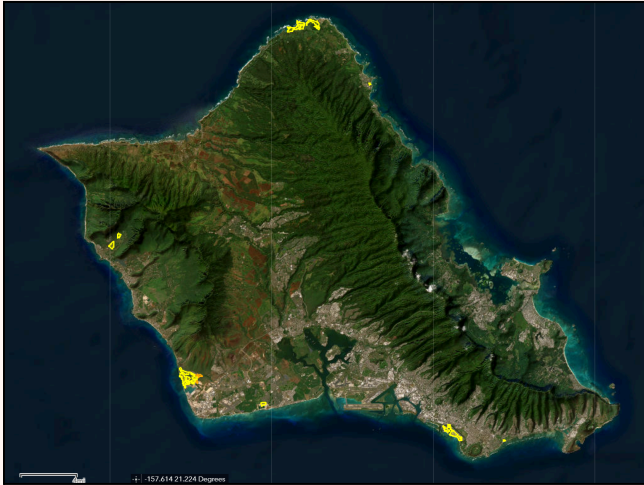


⁴³ [Short-Term Rental Task Force Action Report](#)

⁴⁴ [City of Saugatuck: Short-Term Rental Task Force Action Report](#)

HONOLULU, HAWAI'I

In Honolulu, Hawai'i, vacation rentals that run for fewer than 30 consecutive days are permitted only in limited areas zoned for resorts and a few zoned for apartments. These areas are marked in yellow on the map below.⁴⁵ This includes rentals where the owner is present during the rental period as well



as unhosted rentals. The ordinance, which took effect in 2025, was intended “to preserve housing for long-term residents.”⁴⁶

A public website lists an email for permit registration and renewal within permitted zones as well as a link and phone number for reporting violations.⁴⁷ The city can issue fines of up to \$10,000 for each day an illegal rental is in operation.⁴⁸

Beginning in January 2026, Hawai'i began collecting a tourist tax explicitly to support climate resilience. The so-called Green Fee adds 0.75% to the state's Transient

Accommodations Tax, adding \$3 to a \$400 stay. It also allows each county to impose a surcharge of up to 3%. The fee applies to hotels and cruise-ship cabins as well as vacation rentals.

Across the state, the Green Fee is expected to generate \$100 million annually. Funds will be used to:

- Protect, manage, and restore the state's natural resources;
- Increase the resilience of structures and infrastructure to natural and climate-related disasters and perform hazard mitigation activities; and
- Improve the visitor experience, mitigate the impacts of tourism on the natural environment, ensure that the state's natural resources are maintained for future residents and visitors, and support destination management, such as park improvements and beach improvement, nourishment, and maintenance projects.”⁴⁹

The legislation notes that “economic development cannot be separated from environmental stewardship. Hawai'i's economy is deeply reliant on its natural resources [...] By investing in sustainability, the State secures long-term economic stability while preserving its unique landscapes and biodiversity.”

On signing the legislation, Governor Josh Green, M.D., said: “I mahalo the tourism industry for stepping up and collaborating on this initiative, which will preserve Hawai'i for kama'āina and visitors alike. The fee will restore and remediate our beaches and shorelines and harden infrastructure critical to the health and safety of all who call Hawai'i home, whether for a few days or a lifetime.”⁵⁰

⁴⁵ [City and County of Honolulu: Short-Term Rental Areas](#)

⁴⁶ [City and County of Honolulu: Short-Term Rentals](#)

⁴⁷ [City and County of Honolulu: Short-Term Rental FAQ](#)

⁴⁸ [Honolulu City Council Ordinance 25-2](#)

⁴⁹ [Hawai'i State Legislature: SB1936 SD3 HD3 CD2](#)

⁵⁰ [Office of the Governor: Gov. Green Signs Historic Senate Bill 1396 Codifying a Green Fee](#)

Recommendations for Duluth

Minnesota Point 50 and the Park Point Community Club respectfully submit this set of recommendations for City staff to consider as they develop a new approach to vacation rental permits.

While this list is not exhaustive, it includes ideas that are particularly relevant to the community experience on Park Point and possibly other Duluth neighborhoods bearing heavy and disproportionate impacts from the vacation rental market. These recommendations reflect suggestions from Park Point community members, promising practices emerging from other cities, and recommendations from the National League of Cities and other resources.⁵¹

RECOMMENDATIONS FOR DULUTH	
Recommendation	Rationale & Notes
Permit Redesign Process	
1. Hire a consultant to support a comprehensive redesign of vacation rental policies.	While MP50, PPCC, and no doubt City staff have worked to explore the benefits and drawbacks of various approaches to vacation rentals, we would benefit from the assistance of an independent firm with expertise in urban planning to support the development of a new approach. This would also lend transparency to the redesign process and help communicate the new approach and rationale to the community.
2. Seek and incorporate community input into the redesign process.	Vacation rental policies have significant cultural, economic, and environmental impacts on the communities in which these units are located. It is important for the City to understand and consider community experiences and priorities, especially on Park Point and in other neighborhoods bearing disproportionate impacts from the vacation rental market. It is also important for the City to consider the experiences of current vacation rental owners and design a fair transition to the new policy regime.
3. Extend the moratorium until the redesign process is complete.	Undertaking a more comprehensive assessment and redesign of vacation rental policies will likely extend the timeline for arriving at a new approach beyond the current one-year moratorium. However, a more comprehensive redesign is needed, and extending the moratorium until this work has been completed is important for ensuring the City is on the right path and for maintaining community trust.

⁵¹ [NLC: Short-Term Rental Regulations: A Guide for Local Governments](#)

Permit Structure	
4. Cap the percentage of vacation rentals in neighborhoods.	Setting a cap on vacation rentals in residential neighborhoods is critical to protecting housing availability, housing affordability, and community cohesion as well as protecting sensitive ecosystems. Many other communities have set caps at the neighborhood or block level, and the National League of Cities confirms it is legal.
5. Prioritize community ownership over commercial ownership in neighborhoods.	Vacation rentals owned by community members are more likely than those owned by corporations to benefit the neighborhoods in which they are located, and rental income is important for some residents to remain in the community. At the same time, the downsides of commercially owned rental units often outweigh their benefits to the community. We recommend that the City ban commercial ownership of vacation rentals in residential neighborhoods and cap the number of units that individual community members are allowed to own and operate.
Permit Requirements	
6. Require owners to designate a responsible point of contact.	Vacation rental owners should be required to designate a point of contact who must be available by phone 24/7 and able to be physically present within three hours to manage a concern. The name and contact information for this person should be available to visitors, neighbors, City staff, and the general public.
7. Require owners to display a Good Neighbor Guide.	Vacation rental owners should be required to display a Good Neighbor Guide in each unit that includes information about noise, trash, and parking; what to do in case of an emergency; how to access the beach and the bay; the historic and current neighborhood of Park Point; and the ecology of Minnesota Point and how to protect it. The Guide should be based on a template developed by the City with possible input from PPCC and MP50.
Enforcement	
8. Develop and maintain a public vacation rental website.	The City should develop and maintain a public website with an interactive map of permitted vacation rentals in Duluth. For each rental, the website should name the permit holder and the designated point of contact.
9. Dedicate sufficient City staff and resources to enforcement.	The City should dedicate sufficient staff and resources to ensure that all vacation rentals are in compliance with City policies. Ensuring that vacation rentals are properly licensed and that unlicensed vacation rentals are uncovered and shut down is critical to visitor safety, neighborhood safety, and fairness in the vacation rental market. It is also key for protecting housing availability, housing affordability, and community cohesion.

Financing	
<p>10. Establish a fee structure that will fully fund enforcement.</p>	<p>The vacation rental market should pay for itself, not be run at public expense. Revenue should come from permitting fees as well as steep and escalating fines for unlicensed rentals and failure to comply with vacation rental policies. These fees and fines should be set high enough to fully fund management and enforcement of the City’s vacation rental policies.</p>
<p>11. Implement a Resilience Tax on vacation rentals.</p>	<p>We recommend adopting a Resilience Tax on all vacation rentals. Revenue from the tax should be directed not to policy enforcement but rather to improving the health and resilience of the city’s natural environment, such as planting beachgrass and removing invasive species. The natural environment is a significant draw for visitors to Duluth, and investing in its resilience will help maintain that draw while also improving quality of life for residents.</p>

Conclusion

Duluth finds itself at an inflection point with respect to vacation rentals. While vacation rentals bring a number of benefits to the city, they have the potential to cause great harm to the neighborhoods in which they are located. Paramount are risks to housing availability, housing affordability, and community cohesion and vitality. Park Point, home to a disproportionate percentage of Duluth’s vacation rentals, is struggling with all three of these concerns. Under the current permitting system, these challenges will only intensify over time, threatening Park Point’s ability to maintain its identity as an inclusive, cohesive, and vibrant neighborhood—and possibly as a neighborhood at all. The need for a new approach is clear.

We are grateful to the City Council for recognizing the importance of this moment and for calling a moratorium on new short-term rental permits to allow time for research into an approach that balances priorities and protects the city’s residential neighborhoods, including Park Point. We appreciate this opportunity to share a glimpse into the current situation on Park Point, residents’ experiences with vacation rentals, and our recommendations for City staff to consider as they refine their approach to vacation rental permits. We welcome your questions and responses, and we look forward to partnering with you on the design, implementation, and enforcement of a comprehensive and balanced approach that will serve Park Point and all of Duluth well for decades to come.

This report was prepared in Spring 2026 by Jessica Boehland, Dawn Buck, Andrea Kuzel, Charlene Roise, and Pat Sterner on behalf of the Park Point Community Club and Minnesota Point 50.