

The Honorable Katie Hobbs
Governor, State of Arizona
1700 West Washington Street
Phoenix, AZ 85007

The Honorable Warren Petersen
President of the Senate
Arizona State Senate
1700 West Washington Street
Phoenix, AZ 85007-2890

The Honorable Steve Montenegro
Speaker of the House
Arizona House of Representatives
1700 West Washington Street
Phoenix, AZ 85007

October 29, 2025

Dear Governor Hobbs, President Petersen, and Speaker Montenegro,

Pima County is committed to addressing the serious lack of affordable housing in our community of 116,000 housing units, making significant investments to remedy this issue. As we look at the whole picture, short-term rentals (STRs) are of concern as they remove properties from local residents to purchase or rent, while often increasing rents and home prices. Often these properties are purchased not by local residents for additional income, but by entities outside of the state.

For this reason, it is time to rethink the approach the state has taken regarding short-term rentals. Since the state took local control from counties, cities, and towns regarding STRs in 2017, unintended consequences have developed, from macro level impacts such as the declining number of affordable housing units to the local context of neighborhood disruptions for existing residents.

In Pima County, the data from VRBO and Air B&B estimates that at least 6000 properties in Tucson are STRs with 90% being single family homes. Rural areas are also affected where relatively small numbers of STRs can make a significant impact.

We know Pima County is not alone in facing this problem. Yavapai, Cochise, and other counties are struggling with this issue. For example, Sedona is seeing a significant decrease in their population due to the number of homes taken off the market for local residents, from 14,000 to around 9,000 full time residents now. Twenty-five (25) percent of their non-homeowners' association homes are now STRs, which essentially turns Sedona into a hotel complex. Bisbee's Old District is now 20% STRs and 9% overall.

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The people renting these properties are on vacation and can be disruptive with late night parties, barking dogs, and other frustrations for local residents who have no course of action, particularly if the ownership is out of state. The very sense of community is being lost as short-term tourists replace permanent residents and local families are priced out of the market.

The state has now allowed additional dwelling units to be constructed five feet from property lines that can be used as STRs. This potentially puts a hotel in every backyard in the state. There is no requirement to have commercial zoning, as is the case for traditional hotels.

This issue should be returned to local control and local zoning since leaders at the county, city, and town levels are the closest to the needs of their communities. One course of action would be to cap the number of STR's now in existence and reduce the number of STR's through attrition and change of use. The longer we wait to act, the larger the problem grows. Counties across Arizona are asking for your help.

We thank you for your consideration.

Respectfully,

Jan Leshner
Pima County Administrator

C: The Honorable Rex Scott
Chair, Pima County Board of Supervisors