The Secret to Effective Short-Term Rental Regulations

2019 League of California Cities Annual Conference & Expo
Ulrik Binzer  
Founder and CEO  
Host Compliance LLC

• Founded Host Compliance which provides short-term rental monitoring and compliance solutions for 300+ local governments  
• Developed first short-term rental monitoring tools  
• Harvard Business School  
• Former Army Officer

Kim Szczurek  
Administrative Services Director  
Town of Truckee, CA

• Worked for the Town since 2007 and currently responsible for human resources, risk management, finance, accounting, information technology and solid waste.  
• Over twenty-five years of local government experience, including public utilities, fire district, general improvement and town expertise.  
• Holds a business administration degree from the University of the Pacific and is a CPA.

Trevor Rusin  
Partner at BB&K, Assistant City Attorney for the cities of Malibu and Lomita, CA

• Represents cities in environmental litigation and providing advice at public hearings and in complex agreements.  
• Author of “Home Sharing in the New Economy,” published in Western City Magazine  
• Extensive experience with short-term rental regulations from work in Malibu, Hermosa Beach and other cities
AGENDA

• Context: Why Even Care About Short-term Rentals? (Ulrik Binzer)

• Town of Truckee Case Study (Kim Szczurek)

• How to Regulate Short-Term Rentals (Trevor Rusin)

• Best Practices for Enforcing STR Regulations NOW! (Ulrik Binzer)

• Next Steps

• Q&A
Who we are:

- Seattle based technology company
- World’s leading provider of short-term rental compliance and enforcement technology for governments
- Team of seasoned technology executives, data-scientists and local government leaders

How we help:

- **STR registration, compliance monitoring, tax collection, audit and enforcement software:** Comprehensive suite of integrated software-as-a-service solutions to help local governments address all short-term rental related issues.

- **STR Data:** Detailed STR listing and activity data across the 54 top STR websites (~99% of the STR universe)

- **STR Consulting:** Objective advise on short-term rental related regulatory and enforcement best practices
MORE THAN 300 OF NORTH AMERICA'S LEADING CITIES AND COUNTIES ARE LOOKING TO HOST COMPLIANCE FOR GUIDANCE, DATA AND SOLUTIONS TO THEIR SHORT-TERM RENTAL CHALLENGES

Select Local Government Clients

[Logos of various cities and counties]
IN CALIFORNIA WE ARE CURRENTLY PARTNERING WITH 95 LOCAL JURISDICTIONS TO ADDRESS THEIR SHORT-TERM RENTAL RELATED CHALLENGES

- City of San Leandro
- City of Sebastopol
- City of Rocklin
- Del Norte County
- City of San Mateo
- City of Lake Forest
- City of Half Moon Bay
- City of Santa Cruz
- Nevada County
- City of Malibu
- Town of Mammoth Lakes
- City of Pismo Beach
- City of San Rafael
- City of Imperial Beach
- Santa Cruz County
- City of Atascadero
- Marin County
- City of Benicia
- Monterey County
- City of Carlsbad
- City of Petaluma
- City of Berkeley
- City of Oceanside
- City of Napa
- City of Pasadena
- City of Hermosa Beach
- Town of Truckee
- City of Alhambra
- City of Buena Park
- City of Mill Valley
- Mendocino County
- City of Monterey
- San Luis Obispo County
- San Mateo County
- Madera County
- Mariposa County
- Mono County
- City of Orinda
- City of Seaside
- Town of Yucca Valley
- Placer County
- City of San Luis Obispo
- City of West Hollywood
- City of Dana Point
- City of Healdsburg
- City of Indio
- City of South Lake Tahoe
- City of Carmel-by-the-Sea
- Carmel Valley Association
- Solano County
- City of Encinitas
- City of Grass Valley
- City of Temecula
- Inyo County
- City of Sausalito
- City of Garden Grove
- City of Visalia
- City of Laguna Niguel
- City of Lodi
- City of Grover Beach
- …and many more…
SHORT-TERM RENTALS 101

Q: What are short-term rentals?

A: Rental of a residential dwelling units for periods of less than a month.

Q: What do Airbnb, VRBO and the 100s of other short-term rental platforms do?

A: Airbnb, VRBO and FlipKey etc. act as online marketplaces connecting travelers with local hosts. On one side the platforms enable people to list their available space and collect rent. On the other, the platforms enable travelers to easily book unique home stays.
~25% of the travelling population in the U.S. has now stayed at a short-term rental

More people visit Airbnb than any hotel or travel booking website
THE GLOBAL SHORT-TERM RENTAL MARKET HAS GROWN 1,530% SINCE 2011 AND CONTINUES TO GROW AT A BREAKNECK PACE

The # of short-term rental listings has grown 15x since 2011

Millions of STR listings

Market is fragmenting

100+ other web platforms

Sources: AirBnB, Expedia, TripAdvisor and Booking.com
IN THE U.S. AND CANADA, THE NUMBER OF SHORT-TERM RENTAL LISTINGS HAS GROWN BY 82% OVER THE LAST 3 YEARS

Sources: Host Compliance proprietary data
THE ~1.8 MILLION SHORT-TERM RENTALS IN THE U.S. ARE WIDELY DISTRIBUTED BUT FL, CA, TX, NY AND CO ACCOUNT FOR JUST OVER HALF OF THE TOTAL

With ~235,000 listings, California ranks 2nd in number of short-term rentals in the U.S.

Sources: Host Compliance proprietary data
...but short-term rentals are becoming a real issue in thousands of communities across North America.

# of North American Cities & Counties with More than 100 STR listings

1,781
...AND THE NUMBER OF COMMUNITIES SIGNIFICANTLY IMPACTED BY STRS IS GROWING DRAMATICALLY

# of North American Jurisdictions with >100 STR Listings

Sources: Host Compliance proprietary data
THERE ARE CURRENTLY ~235,000 STR LISTINGS, REPRESENTING ~161,000 UNIQUE RENTAL UNITS IN CALIFORNIA

<table>
<thead>
<tr>
<th>City/County</th>
<th>Listings</th>
<th>Rental Units</th>
<th>City/County</th>
<th>Listings</th>
<th>Rental Units</th>
</tr>
</thead>
<tbody>
<tr>
<td>Los Angeles</td>
<td>36,737</td>
<td>29,138</td>
<td>Indio</td>
<td>3,053</td>
<td>1,794</td>
</tr>
<tr>
<td>San Diego</td>
<td>18,083</td>
<td>11,378</td>
<td>Los Angeles County</td>
<td>3,018</td>
<td>2,521</td>
</tr>
<tr>
<td>San Francisco</td>
<td>7,686</td>
<td>6,515</td>
<td>Truckee</td>
<td>2,929</td>
<td>1,509</td>
</tr>
<tr>
<td>Big Bear Lake</td>
<td>7,059</td>
<td>2,770</td>
<td>Riverside County</td>
<td>2,519</td>
<td>1,608</td>
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<tr>
<td>Placer County</td>
<td>6,742</td>
<td>3,901</td>
<td>El Dorado County</td>
<td>2,490</td>
<td>1,353</td>
</tr>
<tr>
<td>San Bernardino County</td>
<td>6,711</td>
<td>4,106</td>
<td>San Luis Obispo County</td>
<td>2,488</td>
<td>1,423</td>
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<tr>
<td>Mammoth Lakes</td>
<td>5,872</td>
<td>3,179</td>
<td>Oceanside</td>
<td>2,352</td>
<td>1,239</td>
</tr>
<tr>
<td>Palm Springs</td>
<td>5,719</td>
<td>3,125</td>
<td>San Diego County</td>
<td>2,150</td>
<td>1,495</td>
</tr>
<tr>
<td>South Lake Tahoe</td>
<td>4,173</td>
<td>1,810</td>
<td>Long Beach</td>
<td>1,903</td>
<td>1,521</td>
</tr>
<tr>
<td>Sonoma County</td>
<td>4,065</td>
<td>2,472</td>
<td>Irvine</td>
<td>1,838</td>
<td>1,473</td>
</tr>
<tr>
<td>Palm Desert</td>
<td>3,997</td>
<td>2,112</td>
<td>Anaheim</td>
<td>1,830</td>
<td>1,096</td>
</tr>
<tr>
<td>San Jose</td>
<td>3,752</td>
<td>3,192</td>
<td>Berkeley</td>
<td>1,791</td>
<td>1,404</td>
</tr>
<tr>
<td>La Quinta</td>
<td>3,715</td>
<td>2,078</td>
<td>Santa Cruz County</td>
<td>1,760</td>
<td>1,200</td>
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<tr>
<td>Oakland</td>
<td>3,290</td>
<td>3,014</td>
<td>Santa Monica</td>
<td>1,411</td>
<td>1,011</td>
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<tr>
<td>Newport Beach</td>
<td>3,197</td>
<td>1,708</td>
<td>Other</td>
<td>82,944</td>
<td>60,312</td>
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<tr>
<td><strong>Total</strong></td>
<td>235,274</td>
<td>161,457</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

~40% ARE LOCATED IN JUST 10 CITIES/COUNTIES

Sources: Host Compliance proprietary data
IN CALIFORNIA THE NUMBER OF SHORT-TERM RENTAL LISTINGS HAS GROWN BY 66% OVER THE LAST 3 YEARS

Sources: Host Compliance proprietary data
...AND THE NUMBER OF CALIFORNIA COMMUNITIES WITH MORE THAN 100 STR LISTING HAS GROWN FROM 144 TO 22 IN THE LAST 3 YEARS

![Graph showing the number of California jurisdictions with >100 STR listings from March 2016 to April 2019. The number increased from 144 to 222 with a 54% growth.](source)

Sources: Host Compliance proprietary data
THE GOOD: SHORT-TERM RENTALS CAN DRIVE SIGNIFICANT ECONOMIC GROWTH..

Example: Estimated Annual Economic Impact per Short-term Rental in the City of San Diego

- Rental income: $18,037
- Additional spending: $14,127
- TOT: $1,894
- Sales Tax: $793
- City share of sales tax: $56
- Total: $34,907

Source: National University System Institute for Policy Research (October 2015)
THE BAD: STRS CAN DISPLACE LONG-TERM TENANTS, ALTER THE NEIGHBORHOOD CHARACTER AND CAUSE PARKING, NOISE, SAFETY, TRASH AND FAIRNESS CONCERNS

Conversion of long-term rentals into STRs can affect housing availability

Increased tourism can change the neighborhood character

Visitors don't always know (or follow) local rules

Short-term renters may not care about keeping good neighborly relations

Increased occupancy can have negative trash related side-effects

Unfair competition from VRBOs can cause conflicts and hotel job losses
GIVEN THE IMPACTS AND GROWTH, STRS HAVE BECOME THE SINGLE MOST CONTROVERSIAL LOCAL ISSUE IN DECADES

In the last 12 months’ 9,189 news stories have covered this issue across the U.S.
THERE IS NO “ONE-SIZE-FITS-ALL” APPROACH TO SHORT-TERM RENTAL REGULATIONS

Short-term rental regulation should be written to address each community’s specific planning objectives:

• Stem STR’s negative impact on affordable housing availability
• Improve permit and tax compliance to increase tax revenue
• Reduce tension between STR property owners and their neighbors
• Reduce noise, parking and trash-problems
• Eliminate party houses
• Reduce STR’s impact on neighborhood character
• Ensure building safety
• Improve responsiveness to neighbor complaints
• Ensure a level playing field between law-abiding traditional lodging providers and illegal STRs
• Send a clear message to constituents that their government takes the STR problems seriously
AGENDA

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• Town of Truckee Case Study (Kim Szczurek)

• How to Regulate Short-Term Rentals (Trevor Rusin)

• Best Practices for Enforcing STR Regulations NOW! (Ulrik Binzer)

• Next Steps

• Q&A
[Town of Truckee]
What makes Truckee special?
proximity to Sacramento & San Francisco
snowboarding
hiking
paddling
Town of Truckee
Incorporated 1993

33.7 square miles
162 centerline street miles

Two driving factors:
Local land use planning
and...
Road maintenance & snow removal
Population as of 1/1/18 (DOF)
16,681

Elevation
5,980 ft.

Average snowfall/year
201 in.

Town of Truckee
Quick Facts
Housing Units: 13,322
Vacancy Rate: 51.0%

Average Median Income: $73,500
Median home price (SFR): $719,000

Economic Drivers:
Tourism: Ski resorts, summer outdoor recreation, hospitality, service
Construction: Second homes
Town Council/Public Education & Enforcement Program

GOALS - 2013

- Equity/Parity
- Economic Development
- Maximize tax revenue
- Address land use concerns/problems
Host Compliance Dashboard

1622
STR Rental Units in or near Jurisdiction

50
STR Rental Units Added Last Month

92.0%
STR Rental Units with Street Address Identified
Property Tax 42%
Sales Tax 15%
Transient Occupancy Tax 14%
Franchise & Other Tax 5%
Investment Earnings 3%
Operating Grants/Contributions 14%
Charges for Services 6%
Other Revenue 1%
Operating
Grants/Contributions
14%
Charges for Services
6%
Other Revenue
1%
Property Tax
42%
Sales Tax
15%
Transient Occupancy Tax
14%
Investment Earnings
3%
Franchise & Other Tax
5%
Operating Grants/Contributions
14%
Properties Submitting >$0 Tax Returns

<table>
<thead>
<tr>
<th>Year</th>
<th>Individuals</th>
<th>Managed Properties</th>
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<tbody>
<tr>
<td>13/14</td>
<td>363</td>
<td>379</td>
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<tr>
<td>14/15</td>
<td>404</td>
<td>418</td>
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<tr>
<td>15/16</td>
<td>408</td>
<td>493</td>
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<tr>
<td>16/17</td>
<td>675</td>
<td>549</td>
</tr>
<tr>
<td>17/18</td>
<td>726</td>
<td>621</td>
</tr>
<tr>
<td>18/19</td>
<td>808</td>
<td>688</td>
</tr>
</tbody>
</table>

▲ 11%  ▲ 10%  ▲ 36%  ▲ 10%  ▲ 11%
Housing Challenges

- Lack of high wage jobs
- Inflated second home market
- Cost of construction
- Lack of labor
- Short term rentals
- Lack of housing stock/diversity of housing types
- Challenging sites
- Climate
Short-term Rentals

Inherited regulations from Nevada County
Very few regulations are in place
Anticipated future discussion of increased regulations to unlock housing units
Town Council Priorities

2013

- Economic Development
- Maximize tax revenue
- Address land use concerns/problems
- Equity/Parity

2019

- Housing
- Lifestyle impacts
- Overall community character
- Revenue

$
THANK YOU!

For more information:

Kim Szczurek
Administrative Services Director | Town of Truckee
kszczurek@townoftruckee.com | (530) 582-2913
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CALIFORNIA LOCAL GOVERNMENTS GENERALLY HAVE BROAD REGULATORY AUTHORITY TO ADDRESS SHORT-TERM RENTAL RELATED ISSUES...

- Zoning
- Licensing
- Nuisance Abatement Authority
- Building Code, Property Maintenance, Life Safety Codes
- State and Local Taxes
…BUT COASTAL COMMUNITIES MAY HAVE TO GET COASTAL COMMISSION APPROVAL OF THEIR LOCAL STR REGULATIONS…

• The California Coastal Commission takes an interest in local short-term rental regulations when they are likely to affect access to the coast

• The California Coastal Commission has been somewhat inconsistent in its rulings on short term rental regulations:
  • In 2017 the CCC found that a total ban on vacation rentals in Laguna Beach violated the CCA in 2017.
  • In 2018 the CCC found Del Mar’s moratorium on new vacation rentals and strict limitations (minimum seven-day stays, for no more than twenty-eight days per year) to be too restrictive and stated that the city should allow rentals for up to one hundred days per year.
  • In 2018 the CCC approved a Santa Cruz ordinance capping the number of certain types of short-term rentals allowed within city limits.
  • In 2018 the CCC approved Pismo Beach’s ordinance that require STR operators to be “primary residents” as where the owner lives for more than 50% of the year (183 days or more per year).
…FEDERAL LAWS ALSO PUT CERTAIN RESTRICTIONS ON WHAT AND HOW LOCAL GOVERNMENTS CAN REGULATE SHORT-TERM RENTALS

- Communications Decency Act
  - Express Preemption
  - Obstacle Preemption
- Stored Communications Act
- First Amendment
- Fourth Amendment
- Fourteenth Amendment
LOCAL SHORT-TERM RENTAL REGULATIONS HAVE BEEN SUBJECT TO INTENSE LITIGATION (1 OF 2)

<table>
<thead>
<tr>
<th>Case Name</th>
<th>Claims</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>Airbnb, Inc. v. San Francisco</td>
<td>First Amendment</td>
<td>Settled</td>
</tr>
<tr>
<td></td>
<td>Stored Communications Act</td>
<td></td>
</tr>
<tr>
<td>MS Rentals and Garner Properties &amp; Management v. Detroit</td>
<td>Fourth Amendment</td>
<td>Pending</td>
</tr>
<tr>
<td></td>
<td>Coercion Argument</td>
<td></td>
</tr>
<tr>
<td>HomeAway, Inc. v. City of Chicago</td>
<td>Restrictive Covenant</td>
<td>Settled</td>
</tr>
<tr>
<td></td>
<td>Communications Decency Act</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Stored Communications Act</td>
<td></td>
</tr>
<tr>
<td></td>
<td>First Amendment</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Fourteenth Amendment</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Fourth Amendment</td>
<td></td>
</tr>
<tr>
<td>Airbnb, Inc. v. City of New York</td>
<td>First Amendment</td>
<td>Pending</td>
</tr>
<tr>
<td></td>
<td>Fourteenth Amendment</td>
<td>Preliminary Injunction Granted on</td>
</tr>
<tr>
<td></td>
<td>Fourth Amendment</td>
<td>Fourth Amendment Claim</td>
</tr>
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</table>
LOCAL SHORT-TERM RENTAL REGULATIONS HAVE BEEN SUBJECT TO INTENSE LITIGATION (2 OF 2)

<table>
<thead>
<tr>
<th>Case Name</th>
<th>Claims</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>Airbnb, Inc. v. City of Boston</td>
<td>Communications Decency Act (Supremacy Clause argument) First Amendment Fourteenth Amendment Fourth Amendment Massachusetts’ Declaration of Rights</td>
<td>Settled</td>
</tr>
<tr>
<td>Airbnb, Inc. v. County of Palm Beach</td>
<td>Florida Constitution First Amendment Fourteenth Amendment Fourth Amendment FL's Security of Communications Act Stored Communications Act Communications Decency Act</td>
<td>Airbnb won</td>
</tr>
<tr>
<td>Airbnb, Inc. v. City of Miami Beach</td>
<td>Communications Decency Act First Amendment Fourteenth Amendment Florida Constitution</td>
<td>Settled</td>
</tr>
</tbody>
</table>
“Overall, the Department has found that working with the platforms is challenging at best. While the regulations originally passed were the result of negotiations between the City and the platforms, the platforms have gone to great lengths to avoid meeting their end of the bargain. Their actions may be legitimately characterized as deliberate data obfuscation, refusal to provide required data, and a total failure of cooperation with any enforcement mechanisms pursued by the City against platform users who violate the law.”
DESPITE THE CHALLENGES LOCAL GOVERNMENTS ARE FINDING WORKABLE WAYS TO MITIGATE THE NEGATIVE IMPACT OF STRS THROUGH THOUGHTFUL LEGISLATION (1 OF 2)

<table>
<thead>
<tr>
<th>Goal</th>
<th>Regulation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Find the STRs</td>
<td>Make it Easy to Get a Permit&lt;br&gt;Prohibit Advertising without Permit&lt;br&gt;Allow Staff to use Software and Other Tools to Discover Unlawful STRs</td>
</tr>
<tr>
<td>Quality of Life</td>
<td>Trash &amp; Parking Facilities&lt;br&gt;Noise Limits&lt;br&gt;Outdoor Curfew&lt;br&gt;Require 24/7 Host/Renter Contact for STR&lt;br&gt;Frequency Limits (Rentals per Year)&lt;br&gt;Duration Limits (Days per Rental)&lt;br&gt;Exterior Sign Limits&lt;br&gt;Insurance</td>
</tr>
<tr>
<td>Safety</td>
<td>Reasonable Inspection Requirements&lt;br&gt;Occupancy Limits (Day/Night)</td>
</tr>
</tbody>
</table>
DESPITE THE CHALLENGES, LOCAL GOVERNMENTS ARE FINDING WORKABLE WAYS TO MITIGATE THE NEGATIVE IMPACT OF STRS THROUGH THOUGHTFUL LEGISLATION (2 OF 2)

<table>
<thead>
<tr>
<th>Goal</th>
<th>Regulation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Planning</td>
<td>Limit Number of STRs per Area Dispersal Requirements</td>
</tr>
<tr>
<td>Taxes</td>
<td>Require Hosting Platform to Collect Taxes Direct Staff to Monitor Compliance</td>
</tr>
<tr>
<td>Fair Housing</td>
<td>Require STR to acknowledge it is a Public Accommodation Prohibit Discrimination in STR Rentals</td>
</tr>
<tr>
<td>Affordable Housing</td>
<td>Limit STRs to Permanent Residents No STRs in Long-Term Rental Housing</td>
</tr>
<tr>
<td>Economic Development</td>
<td>Encourage STRs in Areas Underserved by Hotels</td>
</tr>
</tbody>
</table>
PUTTING IN PLACE FAIR AND SENSIBLE SHORT-TERM RENTAL REGULATIONS IS NOT ROCKETSCIENCE

1. Get the data
2. Stay ahead of the issue
3. Focus on the issue and be solution oriented
4. Seek consensus and broker compromise
5. Ensure adequate enforcement
6. Measure post-ordinance results
AGENDA

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• Next Steps

• Q&A
Typically less than 10% of STR owners voluntarily get a permit and pay all of their taxes.

But without proactive enforcement, only a fraction of STRs will get registered and pay their fair share of taxes.

Large potential for increasing permit fee and tax collection revenue.
ORDINANCE COMPLIANCE HAS TRADITIONALLY BEEN LACKING IN MOST CITIES WITH STR RULES

**Permit Compliance Rate Examples:**

<table>
<thead>
<tr>
<th>City</th>
<th>Compliance Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hallandale Beach, FL</td>
<td>1%</td>
</tr>
<tr>
<td>Virginia Beach, VA</td>
<td>5%</td>
</tr>
<tr>
<td>San Francisco, CA</td>
<td>24%</td>
</tr>
<tr>
<td>New York, NY</td>
<td>0%</td>
</tr>
<tr>
<td></td>
<td>25%</td>
</tr>
<tr>
<td></td>
<td>100%</td>
</tr>
</tbody>
</table>
BUT RECENT INNOVATIONS HAVE ALLOWED “SMART” CITIES TO ADDRESS THEIR COMPLIANCE PROBLEMS

**Permit Compliance Rate Examples:**

- Hallandale Beach, FL: 1%
- Virginia Beach, VA: 5%
- San Francisco, CA: 24%
- New York, NY: 25%
- Denver, CO: 82%
- 0% Compliance
- 100% Compliance
GET HOSTS TO VOLUNTARILY COMPLY/REGISTER

1. Get the word out through the local press
2. Publish rules/registration steps on website
3. Clearly explain why the registration requirements exist so people realize that complying is in their best interest
4. Conduct a registration workshop to help less-tech savvy hosts comply
5. Include information about registration requirements on property tax bills
6. Eliminate multiple points of contact – ideally everything should be on one application that is processed by one department
7. Allow permit applicants to register/submit applications and include supporting documentation online and on mobile
PUT PERMIT APPLICATIONS ONLINE (AND MAKE THE APPLICATION MOBILE FRIENDLY)
USE SOFTWARE TO IDENTIFY THE ADDRESSES OF ILLEGAL SHORT-TERM RENTALS
COLLECT BULLET-PROOF EVIDENCE OF ADDRESS MATCHES AND PERMIT VIOLATIONS

Matching 3rd Party Sources

Source:
https://www.bing.com/search?q=TSD&pc=OPER

Same exterior.
PROVE LISTING ACTIVITY BY CONTINUOUSLY CAPTURING FULL SIZE SCREENSHOTS OF ALL ONLINE LISTINGS
MAKE IT DIFFICULT FOR ILLEGAL OPERATORS TO IGNORE YOU

1. Send the property's owner a **letter** to make them aware that their property has been identified as an illegal short-term rental
2. Include listing screenshots in letters
3. Include step-by-step directions on how to get into compliance
4. Reference the specific ordinances they are violating
5. List the potential penalties for staying non-compliant
Dear

It has come to our attention that the property located at [Address], United States has been posted as available for short-term rental without complying with the Town of Truckee’s requirements, including property registration and reporting and remittance of tax. Backed is a screenshot of one of your online listings for this property.

As the registered owner of the property, we kindly request you submit the encoded property registration form copy receipt of this letter. In addition, please send the enclosed tax return to our department and remit the appropriate tax from the period October 1, 2019 to June 30, 2020. If these taxes are not received and remitted by no later than 30 days from receipt of this letter, the Town will assess penalties and interest based on your lack of registration and timely reporting. If you do not complete the registration process and payment, the Town will calculate estimated taxes due including penalties and interest and impose that amount for collection. Failure to non-compliance will result in the placement of a lien on your property for the amount due. Beginning or November 10, 2019, it will be required to include the property Registration Certificate Number (RCN) on all online rental listings.

If the property is being rented through a property management company, the increased fees are not necessary. Contact your property management company to ensure compliance. Compliance with short-term rental requirements is ultimately the responsibility of the property owner.

For questions or if you believe you are receiving this letter in error, please contact us at 707.267.7700 or email us at mail@townoftruckee.com.

More information regarding the duties and obligations of managing a short-term rental property in the Town of Truckee can be located at www.townoftruckee.com/CDD.

Sincerely,

Administrative Services Department
Town of Truckee
Enclosed: Online listing screenshot, Registration Form and Tax Return

50583 Truckee Airport Road, Truckee, CA 96161-3200
www.townoftruckee.com
Administration: 530-565-7700 / Fax: 530-565-7705 / email: mail@townoftruckee.com
Community Development: 530-565-7930 / Fax: 530-565-7933 / email: rawlins@townoftruckee.com
Animal Services/Inspections: 530-565-7931 / Fax: 530-565-7993 / email: animalcontrol@townoftruckee.com
Police Department: 530-565-2250 / Fax: 530-565-2255 / email: pdinfo@townoftruckee.com

INCLUDE LISTING SCREENSHOTS IN ALL LETTERS
ONCE CAUGHT, GET A SIGNED LEGAL DECLARATION/SWORN AFFIDAVIT FROM THE OPERATOR SO HE/SHE CAN’T SAY “HE/SHE DIDN’T KNOW THE RULES” AGAIN IN THE FUTURE
MAKE SURE THE PUNISHMENT FITS THE CRIME

Make sure the fines are not easily absorbed as a cost of doing business.

Make fines as fair as possible for all potential violators.
• A fixed fine amount may be punitive for some and laughable for others.

West Hollywood fine structure allows violators to set their own fines.
• The greedier they are, the higher the fines are.
ELLIMINATE QUALITY OF LIFE ISSUES BY MAKING IT EASY TO INTERVENE IF THINGS BEGIN TO GO SIDEWAYS

1. Require hosts to notify their guests of the local noise, trash and parking ordinances

2. Requiring hosts to list a 24/7 contact so code enforcement staff have someone to contact in the event of suspected ordinance violations

3. Make it easy for neighbors to report issues and collect evidence of noise, parking and trash violations:
   • Set up a central 24/7 hotline for neighbors to report non-emergency short-term rental related problems to
   • Allow complainants to easily submit evidence of violations in the form of digital images, video, sound recordings etc.
USE SOPHISTICATED THIRD PARTY 24/7 STR HOTLINE SERVICES CAN DRAMATICALLY IMPROVE RESPONSIVNESS AND ACCOUNTABILITY

**Step 1**
Concerned neighbor calls 24/7 short-term rental hotline or reports incident online

**Step 2**
Complainant provides info on alleged violation and is asked to provide photo, video or other evidence

**Step 3**
If property is registered, Host Compliance immediately calls host to seek resolution

**Step 4**
Problem solved or escalated – Complaints saved in database so serial offenders be held accountable
MAKE THE TAX FORMS MOBILE FRIENDLY

For the following quarters, please report the gross revenue, i.e. payments received for stays for fewer than 30 consecutive nights. If you have had $0 gross revenue for a given quarter, please enter $0.

Gross revenue INCLUDES, but is not limited to, nightly rents, weekly rents, standard cleaning fees, pet fees, internet charges, late check-out fees, extra person fees, and resort fees. Gross revenue EXCLUDES refundable deposits and any additional items included in a special package rate, such as ski passes, or other recreational activity or additional service subject to CO sales tax.

**2017 Calendar Quarter 3 2017**

(July 01 - September 30)

Please enter the gross revenue for Quarter 3 / 2017

$4,000
MAKE IT EASY FOR HOSTS TO CALCULATE AND SELF-REPORT THE CORRECT AMOUNT OF TAXES

1. Send owners monthly/quarterly email reminders of their tax reporting and remittance obligations
2. Make it clear to hosts that you are pro-actively working to identify people who under-report taxes and conduct audits where appropriate
3. Issue steep fines and revoke permits from people who have been caught cheating on their taxes
4. Deploy big-data technology to identify hosts that fail to report or appear to under-report taxes
5. Collect taxes using online/mobile forms
BEST PRACTICES FOR HOLDING SERIAL OFFENDERS ACCOUNTABLE

1. Go straight to citation - no need to first issue a warning to serial offenders
2. Include clear evidence of violation in citation letter to make it clear that fighting the charges is going to be a waste of time
3. Fine them for all code violations (not just STR related ones) i.e. unpermitted food preparation, pools, building additions etc.
4. Have offenders sign an affidavit that states that they are aware of the rules
AGENDA

• Context: Why Even Care About Short-term Rentals? (Ulrik Binzer)

• Town of Truckee Case Study (Kim Szczurek)

• How to Regulate Short-Term Rentals (Trevor Rusin)

• Best Practices for Enforcing STR Regulations NOW! (Ulrik Binzer)

• Next Steps

• Q&A
HOST COMPLIANCE CAN HELP ACCELERATE PROGRESS IRRESPECTIVE OF WHERE YOUR COMMUNITY IS IN THE PROCESS OF ADOPTING AND IMPLEMENTING EFFECTIVE SHORT-TERM RENTAL REGULATIONS

<table>
<thead>
<tr>
<th>Pre-Ordinance</th>
<th>Post-Ordinance</th>
</tr>
</thead>
<tbody>
<tr>
<td>✓ Detailed local market data</td>
<td>✓ Mobile-Enabled Online Permitting/Registration</td>
</tr>
<tr>
<td>✓ Online Ordinance Assistant tool</td>
<td>✓ Address Identification</td>
</tr>
<tr>
<td>✓ Free webinars</td>
<td>✓ Compliance Monitoring</td>
</tr>
<tr>
<td>✓ Guide To Effectively Regulating Short-term Rentals On The Local Government Level</td>
<td>✓ Rental Activity Monitoring</td>
</tr>
<tr>
<td>✓ APA Short Term Rental Online Course</td>
<td>✓ Tax Collection</td>
</tr>
<tr>
<td>✓ Peer Introductions</td>
<td>✓ Tax Audit Automation</td>
</tr>
<tr>
<td>✓ Free draft review</td>
<td>✓ 24/7 Hotline</td>
</tr>
<tr>
<td>✓ Consulting and facilitation</td>
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</tbody>
</table>
MODERN SOFTWARE AND SERVICES CAN ADDRESS ALL OF LOCAL GOVERNMENTS SHORT-TERM RENTAL RELATED CHALLENGES

**Mobile-Enabled Registration and Tax Collection:** Mobile/web forms and back-end systems for streamlining registration and tax collection processes and capturing required documentation, signatures and payments electronically

**Address Identification:** Automated monitoring of 50+ STR websites and online dashboard with complete address information and screenshots of all identifiable STRs in the jurisdiction

**Compliance Monitoring:** Ongoing monitoring of STRs for zoning and permit compliance coupled with systematic outreach to illegal short-term rental operators (using each local jurisdiction’s form letters)

**Rental Activity Monitoring and Tax Calculation Support:** Ongoing monitoring of Manzanita’s STR listings for signs of rental activity. Enables data-informed tax compliance monitoring and other enforcement practices that require knowledge of STR activity level

**Dedicated Hotline:** 24/7 staffed telephone hotline and online platform for neighbors to report non-emergency STR problems, submit evidence and initiative automatic follow-up activities
LEARN HOW TO CRAFT YOUR OWN STR ORDINANCE

→ HAVE YOUR PLANNING COLLEGUES SIGN UP FOR OUR FREE APA ACCREDITED ONLINE COURSE

- Learn about the STR industry
- Learn how to frame and prioritize ordinance goals
- Examples of enforcement systems
- Case studies of leading cities

Earn AICP credits (3 – 4)

American Planning Association

NEED STR ENFORCEMENT TOOLS? → GET A COMPLIMENTARY ANALYSIS AND STR ENFORCEMENT CAPABILITIES ASSESSMENT

• Understand the scale and scope of the STR activity in your community
• Review your current STR compliance monitoring processes and tools
• Come away with recommendations on how to simultaneously improve your department’s STR enforcement capabilities and bottom-line

Contact us on binzer@hostcompliance.com or call (415) 715-9280

Schedule a meeting on https://hostcompliance.com/
CONTACT INFO

Please feel free to contact us anytime if you have any questions about short-term rental regulation and how to best address the associated monitoring and enforcement challenges.

Ulrik Binzer
binzer@hostcompliance.com
(857) 928-0955

Paul Hetherington
paulh@hostcompliance.com
(604) 763-7285

www.hostcompliance.com
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