

JOINT WORK SESSION

BOARD OF COUNTY COMMISSIONERS OGDEN VALLEY PLANNING COMMISSION WESTERN WEBER PLANNING COMMISSION

August 4, 2020

5:00 p.m.

Join Zoom Meeting:

https://us02web.zoom.us/j/81029120777

Meeting ID: 810 2912 0777

One tap mobile: +13462487799 US (Houston), +16699006833 US (San Jose)

Agenda Items:

- Call to Order Gage Froerer Chair, Weber County Board of Commissioners
- Pledge of Allegiance John Lewis, Chair Ogden Valley Planning Commission
- Roll Call Charles Ewert, Principal Planner & Zoom Meeting Moderator

Weber County Commission

Gage Froerer (Chair) James "Jim" Harvey Scott Jenkins

Ogden Valley Planning Commission

John Lewis (Chair)
Shanna Francis (Vice Chair)
Ron Lackey
John Howell
Chris Hogge
Jeffry Burton
Steven Waldrip

Western Weber Planning Commission

Bren Edwards (Chair)
Gregory Bell (Vice Chair)
Sara Wichern
Jed McCormic
Andrew Favero
Bruce Nilson
Wayne Andreotti

Work Session Items – Rick Grover, Planning Director

WS #1: Multi-commission collaborative work session regarding short-term rentals within unincorporated Weber County.

o Opening Comments - Chair Froerer

All presentation slides will be available on Monday, August 3rd, at the following link:

https://frontier.co.weber.ut.us/p/Project/Index/10593#documents

- o Presentation & Discussion Current state of short-term rentals in Weber County Scott Perkes, Staff Planner
- o Presentation & Discussion Enforcement of short-term rentals Eric Brown, Account Executive Host Compliance
- o Presentation & Discussion State of Utah HOA Legislation Michael Johnson, CEO HOALiving
- o Presentation & Discussion Economic impact of short-term rentals Sara Toliver, President/CEO Visit Ogden
- o Public Input
 - Summary of publicly submitted written comments Scott Perkes, Staff Planner

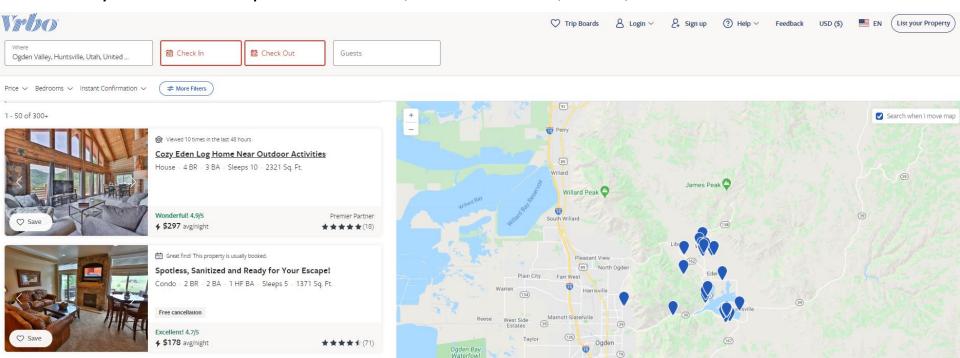
The deadline to submit comments for <u>this meeting only</u> is **Monday, August 3rd at 12:00 pm.** Additional public comments may be submitted prior to or during future public meetings and hearings to be held on this item.

- o Concluding Comments, Next Steps, & Proposed Meeting Dates Chair Froerer, Chair Lewis, & Chair Edwards
- Adjourn



What are Short-Term Rentals?

Rentals of residential dwelling units (single-family & multi-family) usually for periods of less than a month. Short-term rentals are commonly booked through one of the many online marketplaces available, such as Airbnb, VRBO, and more.



Many

How Big of a Challenge are Short-Term Rentals in Weber County?

Complaints

Few

Cold



Debate Temperature

Hot

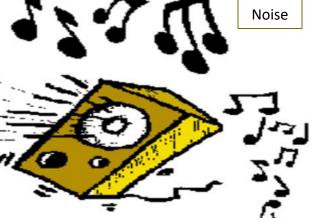
What are your primary concerns regarding short-term rentals?













Existing Regulations

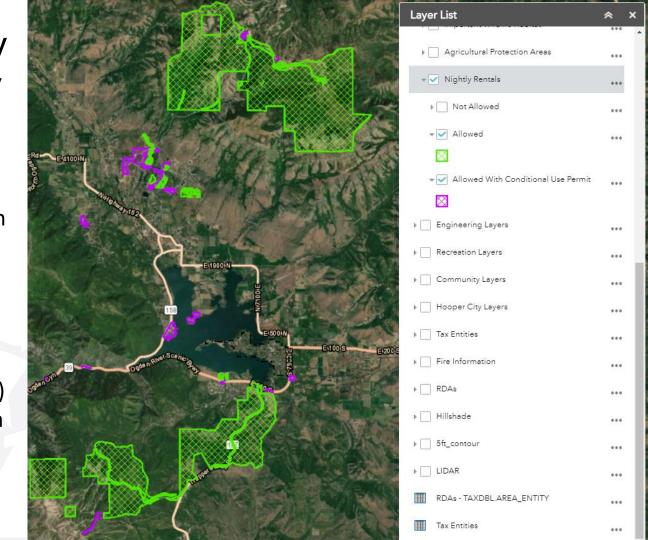
Sec 108-7-25 Nightly Rentals

The rental of a sleeping room, apartment, dwelling unit, or dwelling for a time period of less than 30 days is considered a nightly rental. Nightly rentals are allowed only when listed as either a permitted or conditional use in a specific zone or when approved as part of a planned residential unit development (PRUD).

Where are Nightly Rentals Currently Allowed?

Properties in green (Destination Resort and Recreation DRR-1 Zone, or PRUD with nightly rental approvals) require a business license.

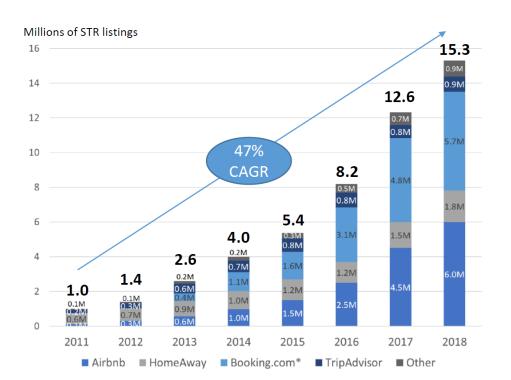
Properties in **purple** (FR-3 zone) require a business license and a conditional use permit.



Here's Our Problem...

Exponential Growth of Short-Term Rentals

The number of short-term rental listings has grown 15x since 2011 and continues to grow exponentially year over year.



















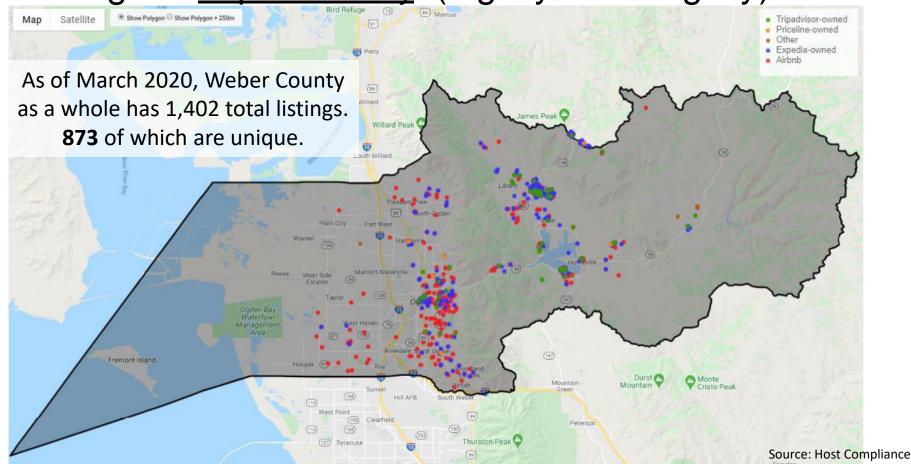




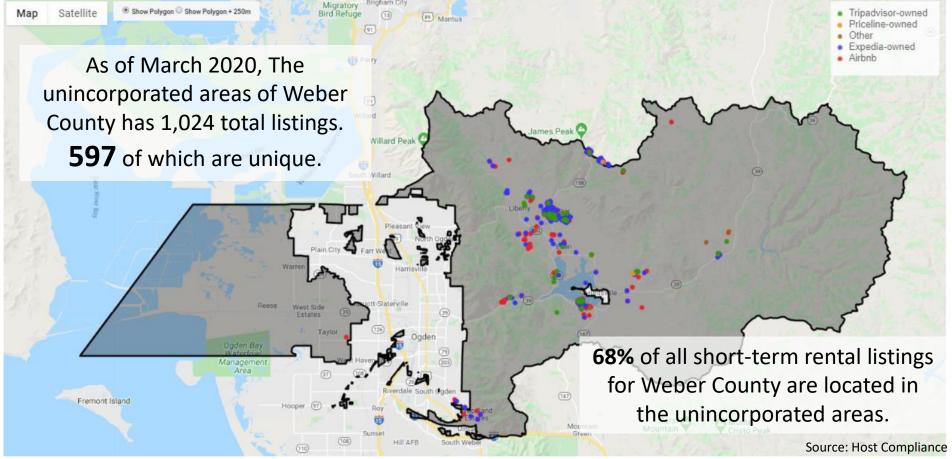
125+ other web platforms

Source: Host Compliance

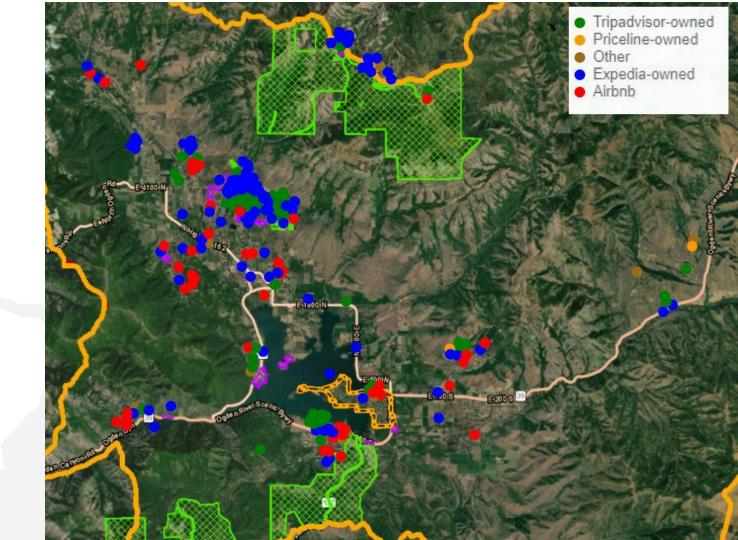
Short-Term Rentals in Weber County are continuing to grow <u>exponentially</u>. (legally and illegally)



Short-Term Rentals in Weber County are continuing to grow <u>exponentially</u>. (legally and illegally)



Legal vs. Illegal



Lost Tax Revenue

	State of Utah Sales Tax	4.85%
	Local Sales Tax	1.00%
	UTA (Mass Transit)	0.25%
	UTA (Supplemental State)	0.05%
	UTA (rail) (County Option Transp.)	0.25%
Applicable	County Option	0.25%
Taxes	County/Transportation (Add'l Mass)	0.25%
	Transportation Infrastructure	0.25%
	RAMP	0.10%
	Weber County Transient	4.25%
	State of Utah Transient	0.32%
	Total:	11.82%

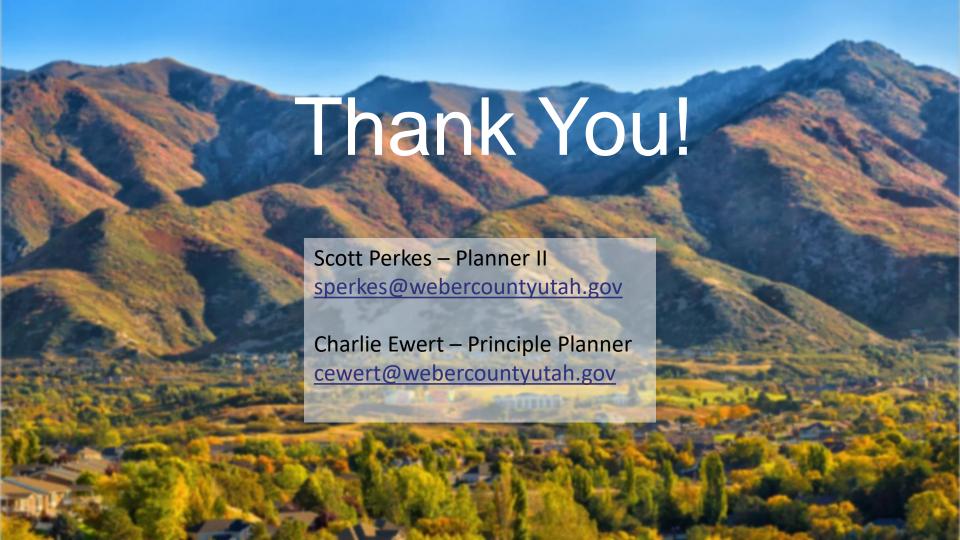
What's the Solution?

How do we make the best of a situation where shortterm rentals are growing exponentially (legally and illegally)?

Can we make a mutually beneficial scenario?

How Can We Enforce Regulations and Provisions?

- Licensing
- Designated Representatives
- Complaint Hotline/Website
 - 30-60 minute response times
- 3rd Party Compliance Monitoring and Complaint Resolution
- Violation/Fine Structure
 - Fines are not just a "cost of doing business"







Cost-effective solutions to Weber County's short-term rental registration, compliance monitoring, fraud, audit and enforcement challenges



Agenda Today

- 1 Introduction of Granicus Host Compliance
- National Short Rental Market and Trends
- 3 Utah Market and Weber County
- 4 Case Studies and Platform



Granicus Introduction



Company Overview

- More than 4,500 government agencies have chosen Granicus to modernize their online services, web presence, and communications strategies.
- Granicus offers seamless digital solutions that help government:
 - Improve the customer experience
 - Simplify and automate workflows
 - Enable strategic community development
- Granicus acquired Host Compliance, a leading technology and service provider helping governments address shortterm rental challenges.



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Select Major City/County Councils

More than 350 of North America's leading cities and counties are looking to Granicus Host Compliance for guidance, data and solutions to their short-term rental challenges













































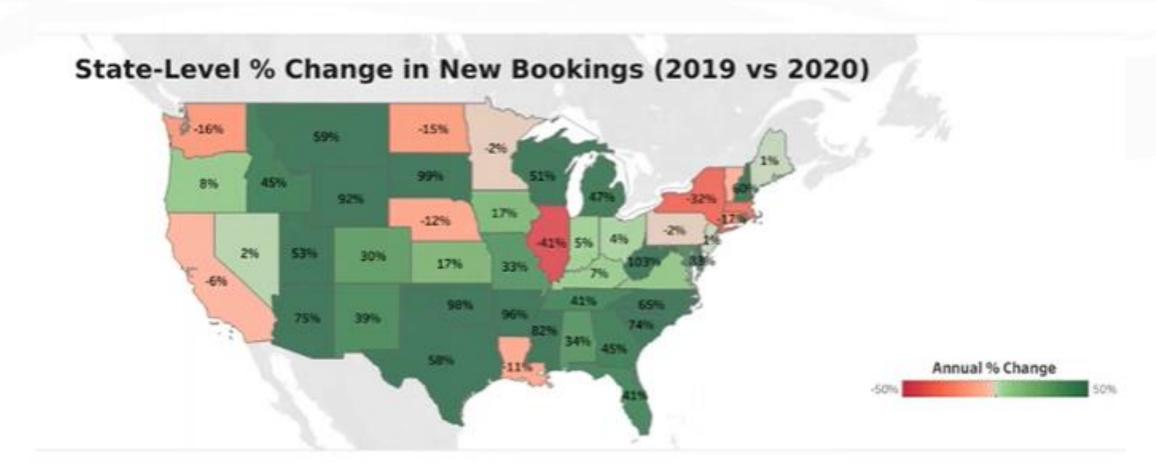








STR Bookings Are Bouncing Back...and Then Some



"We have seen a **faster recovery within alternative accommodations** than in hotels," Morgan Stanley analyst Brian Nowak



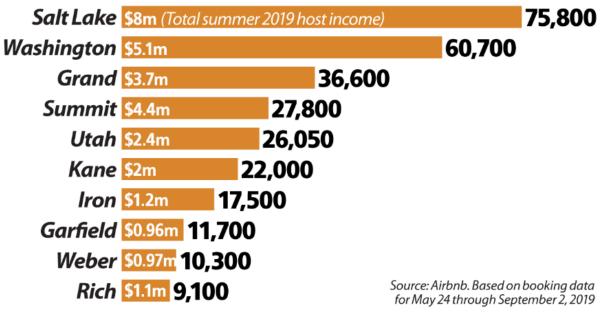
In Utah we are currently partnering with 11 local jurisdictions to address their STR related challenges – Compliant with HB 253

- City of Moab
- City of Sandy
- Garfield County
- Grand County
- Iron County
- City of Provo
- Kane County
- Rich County
- San Juan County
- Town of Garden City
- Wasatch County

Airbnb sees a record summer in Utah

Utahns who hosted Airbnb guests at their properties earned an estimated \$37.3 million over the summer, in what the company said was a new record for guest arrivals through its service nationwide.

Total 2019 summer guest arrivals by county



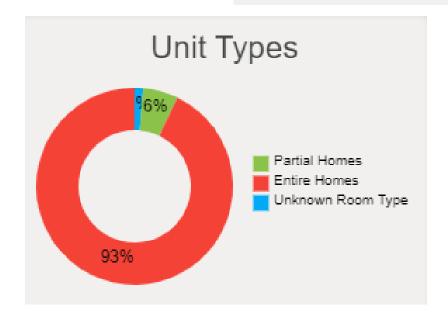
GRAPHIC BY CHRISTOPHER CHERRINGTON | The Salt Lake Tribune

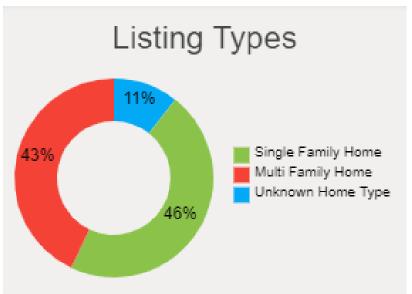
Weber County Data Details

(Entire County)

Median Nightly Rate (USD)

\$150





Why Regulate?

- Protect local residents' quality of life
- Ensure building safety and fire hazard mitigation
- Preserve neighborhood character
- Safeguard housing availability and affordability
- Resolve community tension and complaints
- Avoid noise, parking, house parties and trash problems

There's no One size fits ALL approach.

City of Fort Collins, CO

"Without a short term rental program, you're facing a true safety concern. If you're not regulating short-term rentals, you're potentially taking on some liability of not knowing what's really happening in your community,"



- Achieved a 97% Compliance rate
- \$270K increase in lodging taxes
- 78% Compliance in the first year
- Increased operational efficiencies



While the City initially set out to understand the STR market in their community and gain compliance, they realized that the return on investment was just as compelling as their initial goals. Staff can complete more work in less time, and the City has seen a substantial increase in taxes collected. *-Jeff Mihelich, Deputy City Manager*



Village of Ruidoso, NM

Nearing 1,000 STRs, the Village's in-house system was no longer viable. "We needed to upgrade in-house system..."



- 31% Increase in compliance in the first 6 Months (54% to 85%)
- \$673K Lodging Tax Collected in the first year
- Achieved 92% Compliance in the first year
- Improved operational efficiencies
- Improved registration and tax payment processes.



The Village selected Host Compliance due to its ability to help with safety concerns and the neighborhood impacts that stem from STRs. While revenue recovery was not a key consideration in the decision, it was a bonus." – Stephanie Warren



Denver County and City, CO

The city only had direct communication with approximately 330 of these rentals, and knew it needed to get better control over short-term rentals to ensure they were safe, and to minimize their impact on neighborhoods.

- 3,500 STRs identified in the first 4 months
- \$1.1M Revenue in the first 8 months
- 1,672 New non-compliant STRs identified in the first month
- One of the highest compliance rates in the country for



This has improved communication between the City of Denver and rental hosts, and strengthened the required tax base to provide the services required to manage safety, noise and parking. Denver is now better able to support all stakeholders in their community, - Dominic Vaiana, Deputy Director of Operations



Town of Truckee, CA

With a limited number of hotels and plenty of single-family homes that are unoccupied most of the year, Truckee saw a dramatic increase in properties listed on short-term vacation rental (STR) platforms as the market grew.

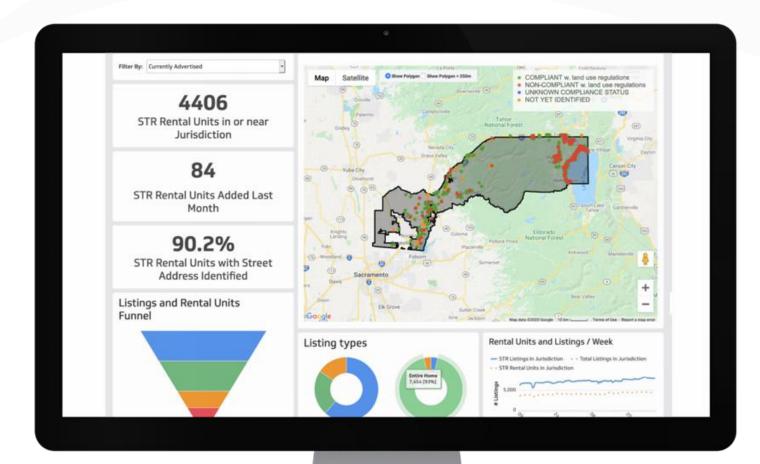
- 400 STRs identified that weren't previously identified in the first year.
- Airbnb wanted to provide a tax agreement but they were not comfortable with the limited data that they would provide.
- 70% Adoption of online portal. Education and awareness focus



Today, TOT is the third-largest source of revenue for the Town. "We use those funds to provide general services to the town like public safety, our road maintenance, and snow removal. - Chrissy Earnhardt, Administrative Services Manager



Address Identification



Granicus Host Compliance provides real-time dashboards that makes it easy for staff and elected officials to understand the current state of Weber County's short-term rental market

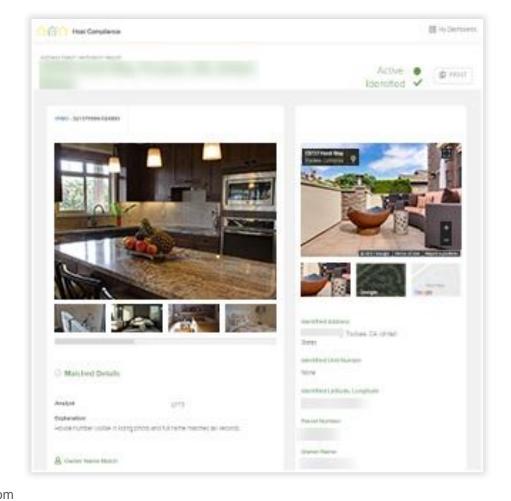
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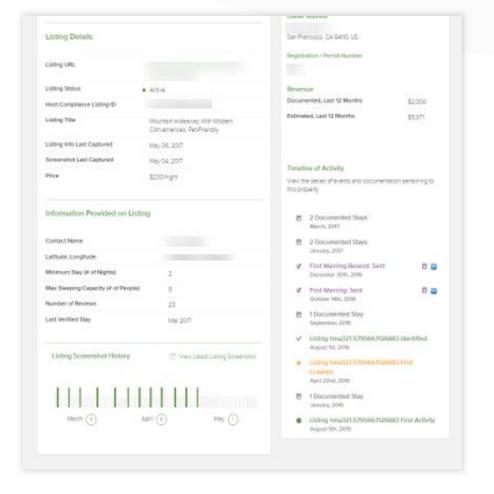


granicus.com

Address Identification

The data and screenshots we collect are made available to authorized county personnel in an easy to use online dashboard and records management system







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Compliance Monitoring

Put Weber County's compliance monitoring and outreach efforts on auto-pilot by automating the mailing of notices to non-compliant short-term rental operators





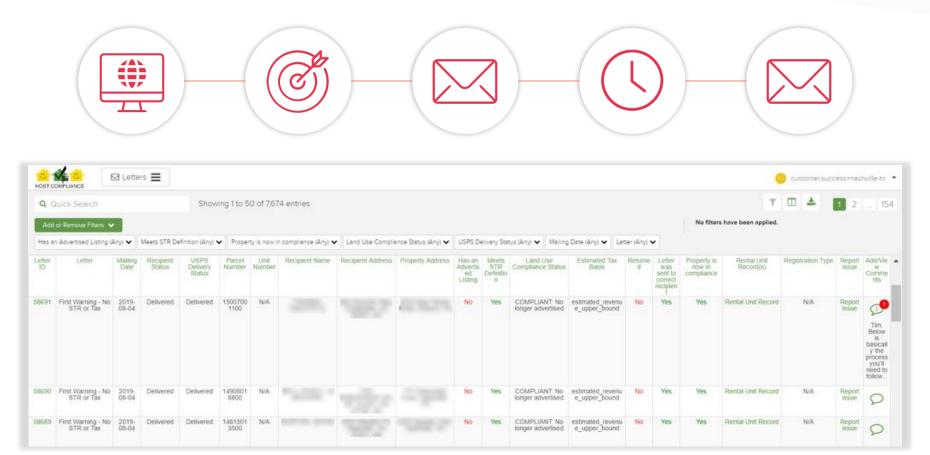


granicus.com

Compliance Monitoring

Automate the entire mailing and follow-up process and track the status and outcome of each letter in real-time

Permit Compliance Mailing Sequence





24/7 STR Hotline

Make it easy for neighbors to report, substantiate and resolve non-emergency STR related incidents in real-time



Report

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

Proof

Complainant provides info on alleged incident and is asked to submit photos, videos or other proof of the alleged violation

Resolution

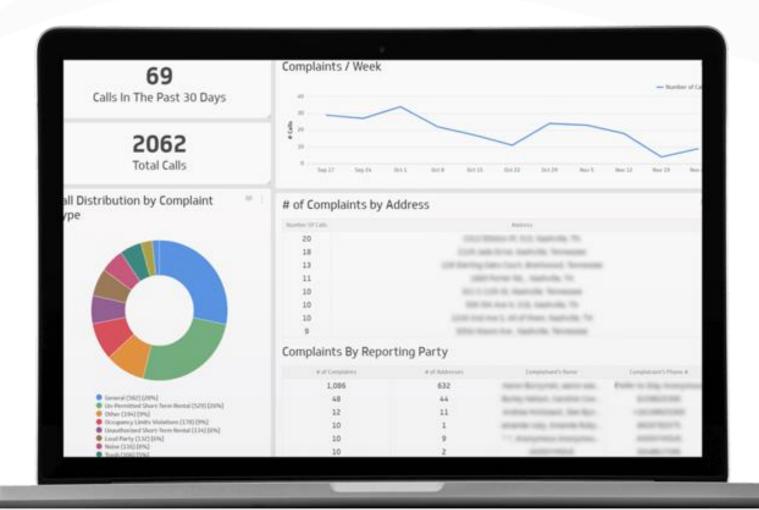
If property is registered,
Granicus Host Compliance
immediately calls
host/emergency contact to
seek resolution

Complete

Problem solved or escalated– complaints saved indatabase so serial offenderscan be held accountable



24/7 STR Hotline



Get detailed reports and dashboards to track all short-term rental related complaints in real-time and over time



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24/7 STR Hotline



Get detailed reports and dashboards to track all short-term rental related complaints in real-time and over time



Benefits to Partnering with Granicus Host Compliance

- Ensures fair, continuous and consistent compliance monitoring and enforcement
- Frees up valuable staff time that can be focused on higher-value added activities
- Minimizes noise, parking and trash violations
- Minimizes the impact on local law and code enforcement agencies as complaints are first handled by our 24/7 hotline and routed to the appropriate property owner before further enforcement actions are triggered
- Maximizes Weber County's tax and permit fee collections
- REVENUE POSITIVE in most cases, registration fees alone pays for the Granicus Host Compliance solution several times over
- Requires NO up-front investment or complicated IT integration -> we can be up and running in 4 weeks!

6 month money back guarantee - we are all in this together.



Short Term (Vacation) Rentals

Tuesday, August 4, 2020





Michael Johnson, CMCA, AMS, PCAM
Chief Executive Officer
Future Community Services, Inc.











Community Associations Remain Preferred Places to Call Home

2020 HOMEOWNER SATISFACTION SURVEY

National research and analysis for condominiums, homeowners associations, and housing cooperatives



Community **Associations**









The results are in! For the eighth time in 15 years, Americans living in homeowners associations, condominiums, and housing cooperatives say they're overwhelmingly satisfied in their communities:

of residents rate their overall community association experience as very good or good (70%) or neutral (19%) *

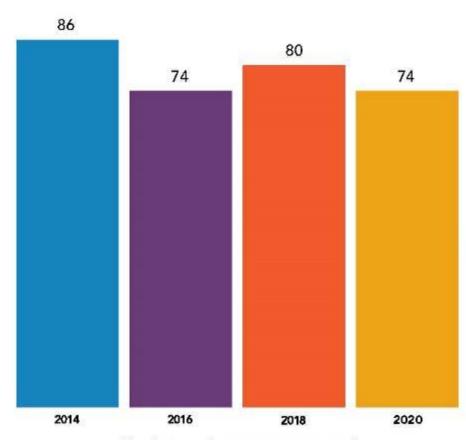
say members of their elected governing board "absolutely" or "for the most part" serve the best interests of their communities. *

74% say members of their community managers provide value and support to residents and their associations.

say their association's rules protect and enhance property value (71%) or have a neutral effect (23%); only 4% say the rules harm property values. *



Community Association Governance



The governance of community associations is subject to differing state laws and regulations. Would you like to see more or less government control of these associations, or would you prefer no change?

74%

of residents prefer either no change or less government control within their association

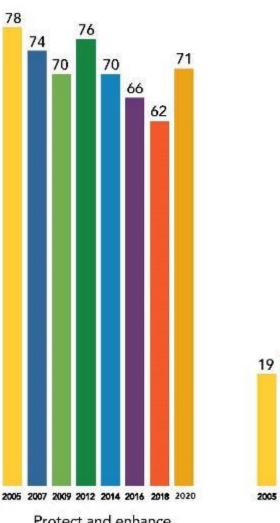
No change or less government control



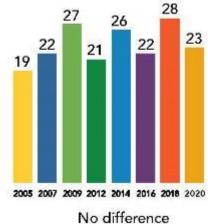
Do the rules in your community protect and enhance property values, harm them or make no difference?



of residents say their association's rules protect and enhance property values (71%) or have a neutral effect (23%); only 4% say the rules harm property values



Protect and enhance





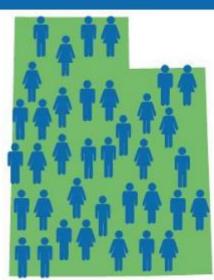
Utah Community Associations

facts & figures

- » Approximately 680,000 Utahns live in 258,000 homes in 3,360 community associations. 68 MILLION NATIONALLY
- » These residents pay \$922 million a year to maintain their communities. These costs would otherwise fall to the local government.



- » 23,000 Utahns are elected to their community association boards each year, providing \$19 million in service.
- » Homes in community associations are generally valued at least 5–6%* more than other homes.
- » By 2040 the community association housing model is expected to become the most common form of housing.



POLICY

The sharing economy for housing has significantly changed how homeowners rent property. **Short-term or vacation rentals** ("STR"), typically means property rented for less than 30 consecutive days.

POLICY

The pace of this new platform - STR has quickly surpassed appropriate government response and regulation and it is essential that Community Associations have a voice in any legislative and regulatory process.



The nature of short-term rentals is not intuitively harmonious with the **Community Association housing** model which focuses on bringing people together, strengthening neighborhood bonds and promoting a sense of community and belonging.



Homeowner volunteers, who are elected by their neighbors to set policies and oversee association operations, and to act in the best interest of the community, are the center of Community Association governance.



Further, these volunteer board members, along with their professional managers, are guided by their association's governing documents that are created to maintain community standards, protect property values and encourage a sense of community stewardship.

Governing documents form a private contract between each homeowner and the association and dictate community rules and regulations for both property rights and standards of personal conduct.



Housing purchasers choose where to live and, if within a Community Association, to accept the contractual and ethical responsibilities to abide by established policies and to meet their obligations to that association and to their neighbors living in the community.



The Community Association housing model succeeds when a true sense of community is cultivated and there is active homeowner involvement based upon a culture of building consensus.



In contrast, short-term visitors typically have no ties to the community, are not contractually bound by the association's established policies and are generally not invested in the overall good of the community.



CAI strongly supports the Community Association housing model and recognizes that no two communities are the same.

Further, CAI recognizes that the sharing economy phenomenon has significantly transformed the dynamics of renting property.

Associations are incredibly diverse, as such, policies need to be tailored to meet the character, culture and desire of homeowners in a community.



A board of directors, with input from homeowners, is in the best position to decide whether short-term rentals are appropriate for their community and is the appropriate governing body to craft suitable policies.



This is assuming the association's governing documents allow or could be amended to permit short-term rentals to reflect the preferences of homeowners.



CAI supports short-term rental regulation that is consistent with the association's governing documents, federal, state and local law and serves to protect and preserve the ability of **Community Association homeowners** to manage their affairs.



CAI opposes governmental regulations that would intrude upon Community Associations' board of directors' autonomy to serve the best interest of the association.



Short-term rental regulation should not impair association contractual covenants and take decision-making authority away from Community Association homeowners. This degrades the very core of Community Association governance, which is based on private contractual obligations of the community's homeowners.

SAMPLE LANGUAGE

VIRGINIA: §15.2-983 (D) Nothing in this section shall be construed to supersede or limit contracts or agreements between or among individuals or private entities related to the use of real property, including recorded declarations and covenants.



FOR MORE INFO

Short-Term (Vacation) Rentals and Community Associations



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Weber County Short-Term Rental Economic Impact

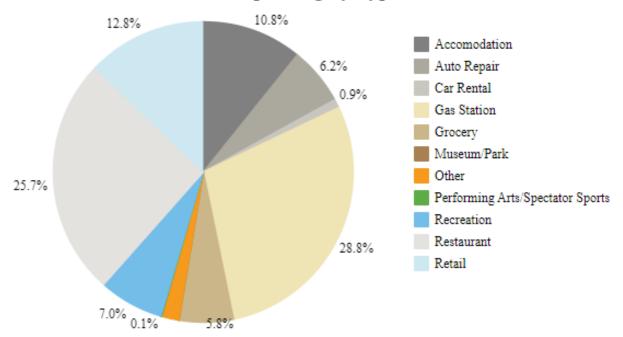


Sara Toliver – President/CEO, Visit Ogden – The Tourism Bureau for Weber County

Total Visitor Spending by Year in Weber



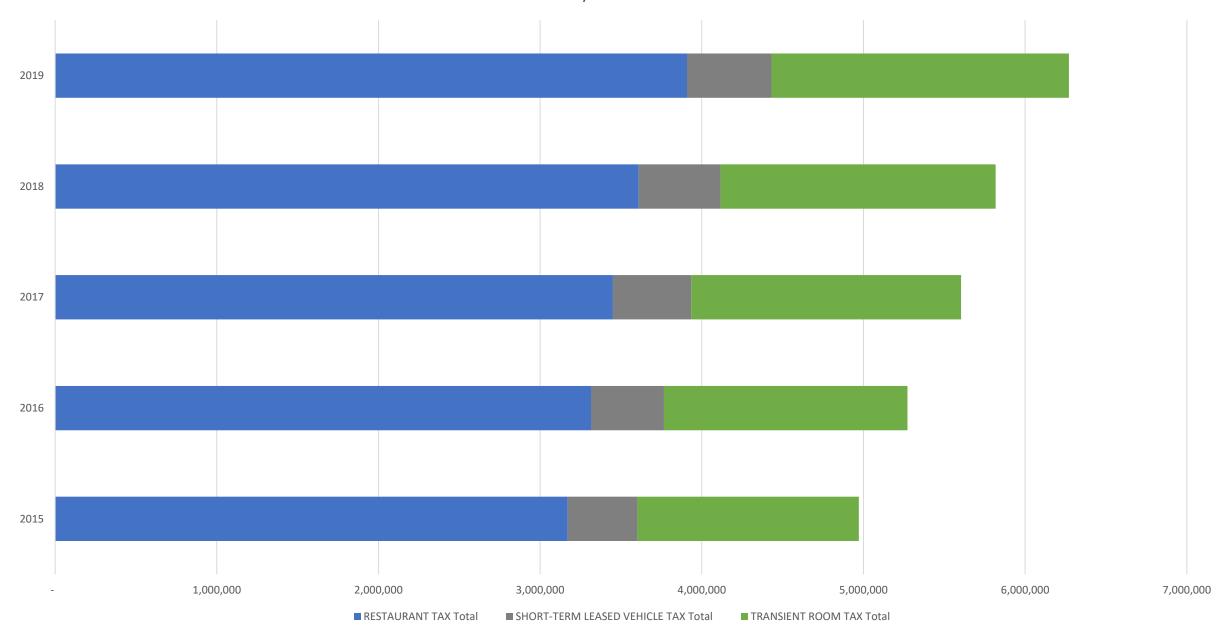
Share of Visitor Spending by Type in Weber, 2018



Visitor Spending by Type in Weber, 2018

Accommodation Spending	\$39.2M
Auto Repair Spending	\$22.6M
Car Rental Spending	\$3.4M
Gas Station Spending	\$104.8M
Grocery Spending	\$21.2M
Museum/Park Spending	\$0.1M
Other Spending	\$6.8M
Performing Arts/Spectator Sports Spending	\$0.3M
Recreation Spending	\$25.4M
Restaurant Spending	\$93.4M
Retail Spending	\$46.4M

Weber County Tourism Tax Revenues



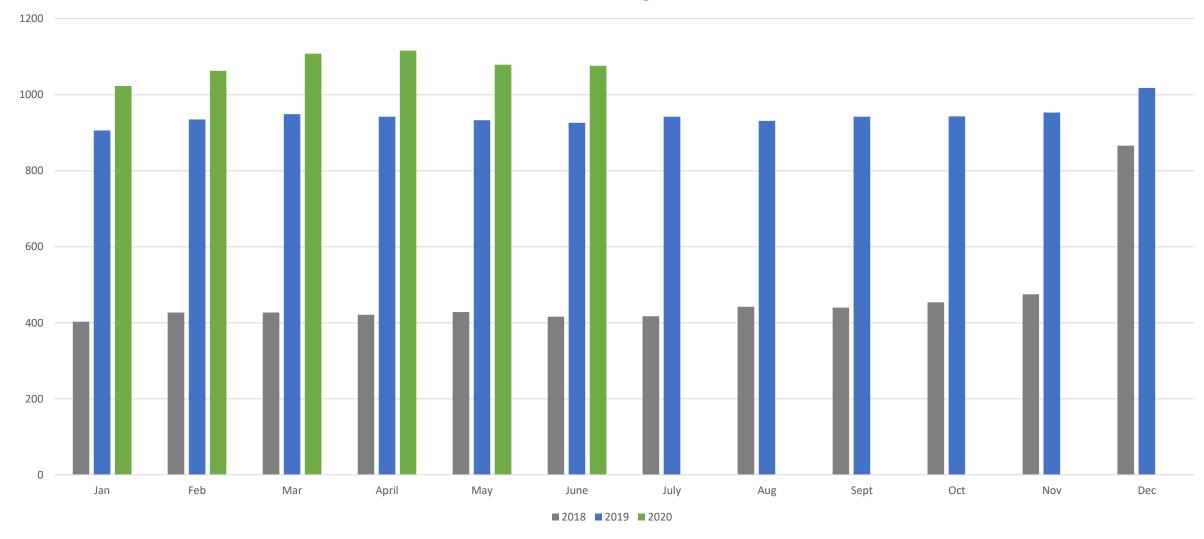
SHORT TERM RENTAL ECONOMIC IMPACT

NOTES:

 Data presented is for all of Weber County, not just unincorporated areas.

• Scraping Site: not reported by shortterm rental properties.

 Data represents VRBO/HomeAway and Airbnb only. No other platforms or independent property manager rentals are represented.

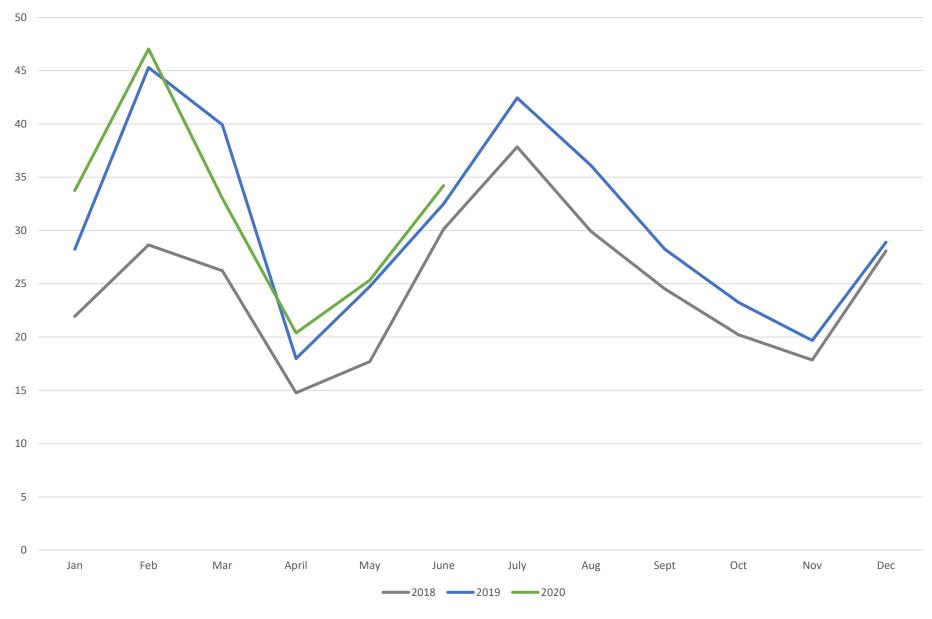


Jan 2018-Nov 2018 = Airbnb only

Dec 2018 - current = Total Listings on Airbnb + HomeAway/VRBO

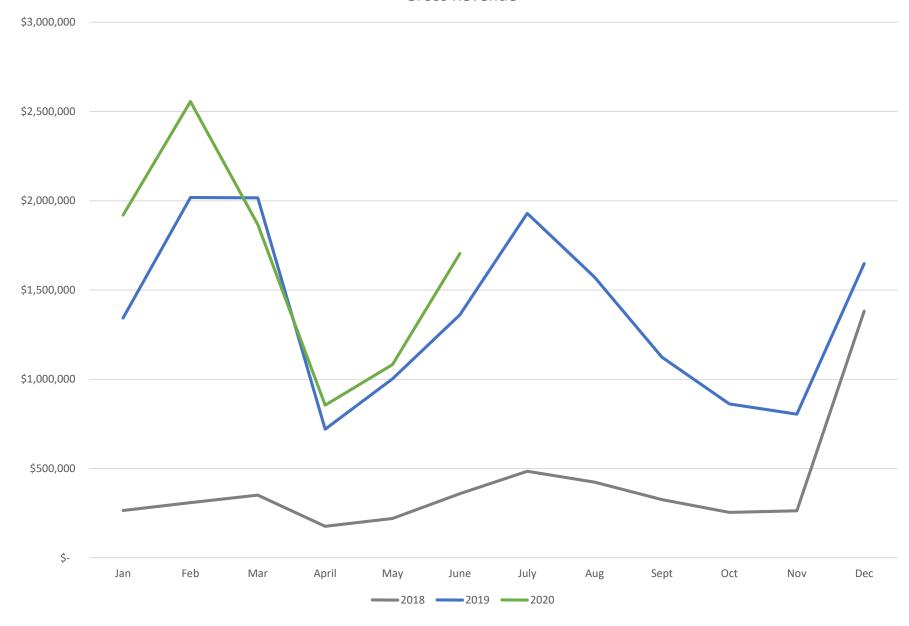
Data provided by All the Rooms

Average Occupancy %



- Jan Nov 2018 Airbnb only
- Dec 2018 present average occupancy of Airbnb and HomeAway/VRBO

Gross Revenue



- Gross Revenue of short-term rental booking, not taxes collected
- Jan Nov 2018 Airbnb only
- Dec 2018 present combined gross revenue from Airbnb and VRBO/HomeAway
- County Transient Room Tax rate = 4.25%





Summary of Public Input

Comments Received In-Writing Through 8/3/2020

Public Comment Topics	Percent of All Respondants
Community Character	60.61%
Noise	45.45%
Enforcement & Complaint Resolution (+&-)	39.39%
Parking & Large Vehicles /Snow Removal	36.36%
Parties / Minimum Length of Stay (+&-)	34.85%
Safety (Theft, Vandalism, Crime, Intoxication, Drugs)	30.30%
Traffic/ Speeding	28.79%
Sherrif Capacity	28.79%
HOAs/ HOA Autonomy & Enforcement (+&-)	27.27%
Trash	25.76%
Uncollected Tax Revenue (+&-)	24.24%
Occupancy /Large Gatherings /Owner-Occupied (+&-)	19.70%
Stressed Infrastructure (Roads, Sewer/ Septic, water)	18.18%
Trespassing / Drones /Privacy	15.15%
Property Values (+&-)	15.15%
Absentee Owners	13.64%
Fire Safety / Fireworks	10.61%
Licensing (+&-)	10.61%
Reduced Housing Stock /Increased Commuting / Speculation	10.61%
Competition For Existing Businesses /Rentals	10.61%
Property Rights (+&-)	10.61%
STRs Support The Economy	9.09%
False Realtor Advertisements	9.09%
Master Plan Inconsistency	9.09%
Property Maintenance & Inspections (+&-)	7.58%
STRs Help Owners Suppliment Income & Reduce Foreclosures	4.55%

Public Comment Topics	Percent of All Respondants
Disproportionately Dispersed Tax Revenue	4.55%
Dark Skies (+&-)	3.03%
Licensing	6.06%
Additiional Lodging Options / Underserved W/Options	6.06%
Complaint Resolution	6.06%
Supports STRs W/ Restrictions	6.06%
Intoxication / Drugs	6.06%
Snow Removal	6.06%
Property Maintenance	4.55%
Require Min. Length of Stay	4.55%
Disproportionately Dispersed Tax Revenue	4.55%
Require Licencing To Better Track Properties, Taxes, Compliance	4.55%
Property Inspections	3.03%
Support HOA Self-Enforcement	3.03%
Privacy	3.03%
STRs Capture Lost Business to Other Markets	3.03%
Dark Skies	3.03%
Owner-Occupied Rentals Mitigate Tenant Concerns	3.03%
Infringed Property Rights	3.03%
Increase Enforcement (quick resolution, steep fines)	3.03%
STRs Help Owners Suppliment Income/ Mortgage	1.52%
Complaint Hotline/Website or 3'rd Party Enforcement	1.52%
Use Signage W/Contact Info for Owner/Complaints	1.52%
STRs Reduce Foreclosures	1.52%
STRs Help to Increase Property Values	1.52%

Potential Next Steps & Meeting Dates

August 2020

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
26	27	28	29	30	31	1
2	3	Joint CC, OVPC, WWPC Work Session	5	6	7	8
9	10	Potential WWPC Work Session	12	13	14	15
16	17	18	19	20	21	22
23	24	Potential 25 OVPC Work Session	26	27	28	29
30	31	1	2	3	4	5

September 2020

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
30	31	Joint OVPC, WWPC Work Session	2	3	4	
6	7	8	9	10	11	1.
13	14	15	16	17	18	1
20	21	Potential OVPC Public Hearing	23	24	25	2
27	28	29	30	1	2	

October 2020

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
27	28	29	30	1	2	3
4	5	Potential 6 WWPC Public Hearing	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31