



CITY COUNCIL AGENDA REPORT

Meeting Date: November 17, 2022

From: John Swiecki, Community Development Director

Subject: Contract Renewal with Granicus (Host Compliance) - Short Term Rental Monitoring and Permitting

Community Goal/Result

Safe Community - Residents and visitors will experience a sense of safety

Economic Development - Brisbane will work with the businesses and residents to provide for economic vitality/diversity

Purpose

For the City Council to consider a one-year renewal of the City's current agreement with Granicus (Host Compliance) to provide short term rental (STR) monitoring and permitting services.

Recommendation

That the City Council authorize the City Manager to execute a one-year extension with Granicus to continue providing STR monitoring and permitting services.

Background

The City of Brisbane adopted an ordinance which took effect in summer 2020 permitting STRs subject to a number of operational and performance standards. In early 2021 the City entered into a contract with a vendor (Host Compliance, now Granicus) to automate the STR permit process and monitor STR activity on multiple listing sites, allowing the City to initiate code enforcement as needed and pursue the collection of transient occupancy tax (TOT). Lastly, the City Council passed an ordinance, pursuant to SB 60, to increase the fines for STRs operating in violation of the City's regulations on November 18, 2021.

Discussion

The current agreement with Granicus ends in December 2022 and it is proposed the agreement be extended for an additional 12 months, through December 2023. Staff is supportive of extending the agreement an additional year since there has been a substantial investment of staff time working with the vendor to develop the City's platform and training in using the system. Now that the system has been in place for over a year, staff is generally satisfied with its performance. Below is a summary of STR activity since the system has been active:

- 12 STRs were originally identified in June 2021 while the latest data from October 2022 identified four STR units, with no recent, unidentified listings being found within the last 30 days.

- Since October 2021, the City of Brisbane has averaged 4-6 active STR units at any given time. The number varies as new and/or potential units and listings are first identified by Granicus, some of which may be outside city limits or unverified by the system.
- The number of active code enforcement cases dropped from 12 in 2021 to one as of March 2022; there is one pending code enforcement case at time of the writing of this staff report.
- The City approved its first two STR permit applications this summer and third application was submitted this month.
- No STR permit applications have been denied, nor citations issued for an STR violation since January 2022.
- A total of six code enforcement complaints were investigated in 2022.

The current agreement includes a subscription to a 24/7 Hotline for reporting violations. This feature has not been implemented. Given the City's experience to date, this feature is not necessary for the City to address STR complaints. The City's regular code enforcement and after business hours dispatch response, in conjunction with availability of the City's online STR Host Registry which includes a contact number for each host, has been sufficient to investigate and respond to the limited number of STR complaints. Elimination of this service or subscription would result in a savings of \$564.96 or five percent of the contract amount.

Choosing not to extend the agreement would require the City to either find another vendor or transfer enforcement responsibilities to the City's Code Enforcement Officer. Staff has received a solicitation from another private firm that provides STR rental monitoring services, which included a cost estimate in the range of \$8,000-\$13,000 annually. Staff sees no benefit in considering a change in vendor at this time.

Fiscal Impact

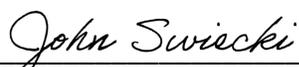
The cost of renewing the service agreement through December 2022 would be \$10,682.24 for all recommended services (excluding the 24/7 Hotline). The agreement cost for 2021 was \$11,247.00. Since June 2021, the City has cumulatively collected approximately \$7,100 in TOT from STRs, with about \$1,500 collected since October 2022.

Measure of Success

Successful implementation of the City's STR Ordinance by permitting STRs consistent with the City's ordinance, eliminating unpermitted STRs and generating and collecting TOT.

Attachments

Granicus Proposal - STR Rental Permitting and Monitoring



 John Swiecki, Community Development Director



 Clay Holstine, City Manager



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United States

THIS IS NOT AN INVOICE

Order Form
Prepared for
Brisbane, CA

Granicus Proposal for Brisbane, CA

Please note: This is not an invoice. This is a budgetary proposal that outlines the products and fees associated with the subscription renewal. Please inform the Granicus Contact listed below if you wish to issue a PO against this budgetary proposal.

ORDER DETAILS

Prepared By: Mark Miller
Phone:
Email: mark.miller@granicus.com
Order #: Q-227604
Prepared On: 10/13/2022
Expires On: 12/28/2022

ORDER TERMS

Currency: USD
Payment Terms: Net 30 (Payments for subscriptions are due at the beginning of the period of performance.)
Current Subscription
End Date: 12/28/2022
Period of Performance: 12/29/2022 - 12/28/2023

PRICING SUMMARY

The pricing and terms within this Proposal are specific to the products and volumes contained within this Proposal.

Renewing Subscription Fees			
Solution	Billing Frequency	Quantity/Unit	Annual Fee
Address Identification	Annual	62 Rental Listings	\$2,985.30
Mobile Permitting & Registration	Annual	1 Each	\$5,350.00
24/7 Hotline	Annual	44 Rental Units	\$564.96
Compliance Monitoring	Annual	43 Rental Units	\$1,035.44
Rental Activity Monitoring	Annual	43 Rental Units	\$1,311.50
Tax Collection	Annual	1 Each	\$0.00
SUBTOTAL:			\$11,247.20

PRODUCT DESCRIPTIONS

Solution	Description
Address Identification	Ongoing monitoring of 60+ Short Term Rental websites including major platforms Airbnb, VRBO, HomeAway, Booking.com, FlipKey, & Expedia. Our machine learning will deduplicate all known Listings into unique Rental Units, where our identification team will provide owner contact information for further enforcement. This product includes:- Ongoing monitoring of all listings in your jurisdiction <ul style="list-style-type: none"> - Updating listing activity and details every 3-5 days - Screenshot activity of every listing - Deduplication of listings into unique Rental Units - Activity dashboard and map to monitor trends and breakdown of compliance
Mobile Permitting & Registration	Mobile-enabled online forms and back-end systems for streamlining the registration/licensing/permitting of individual short-term rental hosts. These registration forms and workflows include:- Parcel Number lookup and validation <ul style="list-style-type: none"> - E-Signatures - ACH, Debit, and Credit Payments exclusively powered by Stripe.com - Registration Number & Certificate creation - Document Upload - Renewals - Email confirmation - Admin approval & denial
24/7 Hotline	24/7 web and phone hotline for your community to report short term rental complaints such as parking, trash, noise disturbances, and illegal short term rentals. This product include:- Mobile-enabled online web form for citizens to submit tips or complaints (text, videos, and photos) <ul style="list-style-type: none"> - 24/7 call center for citizens to contact and report complaints verbally - Recordings for all call center complaints - Email notifications to your team when complaints are logged - Automatic outbound IVR calls and SMS messages to permit emergency contacts notifying them of the complaint - SMS support for emergency contacts to mark a complaint as acknowledged or resolved with the ability to send resolution notes - Hotline Dashboard for tracking complaint volumes, trends, and categories - Ability to upload Notes/Comments to each complaint

Solution	Description
Compliance Monitoring	Compliance monitoring provides up-to-date information for each identified Rental Unit and its compliance status. We configure your compliance definition specific to your jurisdiction rules and ordinances in order to provide up-to-date compliance status of each identified Rental Unit. Additionally, this product will:- Allow your team to send letters to non-compliant properties 24/7 - Configure letter templates with your branding and letterhead - Add as many letter sequences as you need for escalation - Monitor properties that become compliant after letter enforcement
Rental Activity Monitoring	Ongoing monitoring of Short Term Rental listings for signs of rental activity including historical revenue estimates & occupancy. Coupled with our Tax Collection product, users can also compare historical revenue estimates to actual reported revenue to identify those that may be underreporting and underpaying sales tax (i.e. TOT).
Tax Collection	Tax Collection can be built as a separate mobile-enabled form or coupled with Mobile Permitting & Registration in one single portal allowing your users to:- Report revenue monthly, quarterly, or annually and pay sales tax due (i.e TOT) - Remind users when they are registering for a permit/license to also report any back taxes - Collect ACH, Debit, and Credit Payments exclusively powered by Stripe.com

TERMS & CONDITIONS

- The terms and conditions set forth in the Agreement effective 12/29/2020 are incorporated herein by reference.
- This quote is exclusive of applicable state, local, and federal taxes, which, if any, will be included in the invoice. It is the responsibility of Brisbane, CA to provide applicable exemption certificate(s).
- Any lapse in payment may result in suspension of service and will require the payment of a setup fee to reinstate the subscription.
- Notwithstanding anything to the contrary, Granicus reserves the right to adjust pricing at any renewal in which the volume has changed from the prior term without regard to the prior term's per-unit pricing.
- Renewal pricing for Address Identification, Compliance Monitoring, Rental Activity Monitoring, 24/7 Hotline, Tax Collection, and Mobile Permitting & Registration is based on the average volume of rental listings or units for the preceding 10-12 months and is subject to volume-based pricing adjustments as described herein.

BILLING INFORMATION

Billing Contact:		Purchase Order Required?	[] - No [] - Yes
Billing Address:		PO Number: <i>If PO required</i>	
Billing Email:		Billing Phone:	

If submitting a Purchase Order, please include the following language:

The pricing, terms, and conditions of quote Q-227604 dated 10/13/2022 are incorporated into this Purchase Order by reference and shall take precedence over any terms and conditions included in this Purchase Order.

AGREEMENT AND ACCEPTANCE

By signing this document, the undersigned certifies they have authority to enter the agreement. The undersigned also understands the services and terms.

Brisbane, CA	
Signature:	
Name:	
Title:	
Date:	