



## CITY COUNCIL AGENDA REPORT

**Meeting Date:** April 1, 2021

**From:** John Swiecki, Community Development Director

**Subject:** Short Term Rental Ordinance Implementation Update

### **Community Goal/Result**

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

Fiscally Prudent - Brisbane's fiscal vitality will reflect sound decisions which also speak to the values of the community

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

### **Purpose**

Update the City Council on the current status of short term rental (STR) activity monitoring, permitting, and tax collection by vendor Host Compliance, and request direction from the City Council on the collection of taxes.

### **Recommendation**

That the City Council direct staff to work with the City's vendor to collect back taxes for STRs in operation since September 15, 2020.

### **Background**

Effective September 15, 2020, the Brisbane Municipal Code (BMC) has required hosts of STRs to obtain a permit from the City, pay transient occupancy taxes, and comply with various performance standards. (Ref.: Ordinance 655). Since that time, only one STR permit application has been submitted, which was ultimately rejected as it did not meet eligibility requirements. Staff continues to actively investigate complaints regarding suspected unpermitted STRs.

In December 2020, at the Council's direction, the City signed a professional services agreement with Host Compliance, a STR service provider that provides proactive code enforcement support to cities, as well as STR permitting and tax collection. Use of Host Compliance will allow the City to shift from its current complaint-based enforcement model for STRs to a proactive model. While Host Compliance initially agreed to an April 2021 launch date for their system, due to delays on Host Compliance's end the launch is now anticipated for early May 2021.

### **Discussion**

The Planning Issues subcommittee (Mayor Cunningham and Councilmember Mackin) met in February to discuss the implementation status of the STR program and whether the City should pursue the collection of back taxes (to September 15, 2020) for both legal and illegal STRs

operating since that time. The subcommittee recommended that the full Council authorize collection of back taxes, in addition to active enforcement for STRs operating without a permit. Going forward, Host Compliance will also be proceeding with tax collection for all operating STRs , whether or not they have a city permit.

**Fiscal Impact**

Minimal. Any TOT collected for STRs- permitted or not- would be a net increase to the City’s TOT revenue. Due to the small number of suspected STRs in operation, it is unlikely that TOT revenues would be significant. The existing agreement with Host Compliance already provides for the collection of back taxes without an increase in contract cost.

**Measure of Success**

A tax collection policy for STRs that is equitable and holds STR operators accountable for their activity.

**Attachments**

None.

*John Swiecki*  
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John Swiecki, Community Development Director

*Clayton L. Holstine*  
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Clay Holstine, City Manager