

# SHORT TERM RENTAL TASK FORCE (STRTF)

## **DRAFT** MINUTES



May 01, 2025 at 12:10 PM

Assembly Chambers/Zoom Webinar

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<https://juneau.zoom.us/j/85489869354> or call 1-253-215-8782 Webinar ID: 854 8986 9354

Assembly Chambers at 155 Heritage Way

**A. CALL TO ORDER** - Chair Bryson called the meeting to order at 12:10 p.m.

**B. LAND ACKNOWLEDGEMENT** – read by Committee Member Schijvens

We would like to acknowledge that the City and Borough of Juneau is on Tlingit land and wish to honor the indigenous people of this land. For more than ten thousand years, Alaska Native people have been and continue to be integral to the well-being of our community. We are grateful to be in this place, a part of this community, and to honor the culture, traditions, and resilience of the Tlingit people. *Gunalchéesh!*

**C. ROLL CALL**

**Present:** Chair Wade Bryson, Deputy Mayor Greg Smith, Erik Pedersen, Dan Coleman, Patty Collins, Ryan Kauzlarich (via Zoom), Adam Dordea, Carole Triem, Joyce Niven, and Meilani Schijvens

**Absent:** Alicia Hughes-Skandijs

**Staff/Others:** Deputy City Manager Robert Barr, Municipal Clerk Beth McEwen, CBJ Assistant Attorney Clinton Mitchell, Special Projects Manager Rob Dumouchel, and CBJ Treasurer Ruth Kostik

**D. APPROVAL OF AGENDA**

Mr. Barr explained that there were two red folder items and one verbal update.

- A policy brief from Committee member Dordea
- He noted two proposed amendments that will be going forward to the legislation the STRTF forwarded to the Assembly. It was introduced and is currently scheduled for May 5, Assembly Lands, Housing, Economic Development Committee meeting and then will be up for public hearing and Assembly action at the regular Assembly meeting on Monday, May 19.

**E. APPROVAL OF MINUTES**

**1. April 17, 2025 STRTF Meeting Minutes - Draft**

**F. AGENDA TOPICS**

**2. STR legislation – collect/remit & permit posting update**

Mr. Barr noted that he is going to be providing two staff-recommended amendments to that legislation.

- 1) He said the first one is not in the STRTF packet but to give a verbal report on it, it was based on a recommendation that this body made at its last meeting around the fine amount for not being registered. At the last meeting, they proposed increasing the fine from \$25/day to \$100/day fine. In the original legislation that Mr. Mitchell and he had drafted and which was introduced, proposed a \$100/day fine “or the last nightly amount per rental for a STR not being registered.” The suggested amendment was to strike the “or” clause and just leave the fine at \$100/day.
- 2) The red folder contained his second suggested amendment. Mr. Barr said that he has been having conversations with staff, legal council and AirBnB and there was concern about marketplace facilitators themselves being responsible for operators having valid permits. They weren’t sure if they could care for that through the marketplace facilitators so what this amendment does is to place the responsibility on the STR

owner/operator to obtain a permit while then also requiring that the marketplace facilitator enter that permit number with each listing. That permit field entry would be required and not an optional field. Additionally, the platforms themselves would need to file a report showing all STRs and their permit numbers to ensure that the listings are appropriately registered.

Mr. Barr then answered questions from committee members regarding those proposed amendments.

### **3. Presentation of a Recommendation Option from Task Force Member Schijvens**

Ms. Schijvens spoke to her recommended option and stated that there are approximately 70 AirBnB's operating year-round. She has not done a full analysis, but she said that she doesn't see any significant number of AirBnB's being changed over to long-term rental housing units. Ms. Schijvens, in speaking to the big picture, stated that there is a housing shortage in Juneau. There is an opportunity here to have a significant impact on housing and one thing the committee is looking at is how to make sure online STR operators are remitting taxes directly to CBJ. In her analysis of AirBnB's operated last year, it shows that \$1.77M should have been remitted to CBJ. She said she has seen this in other communities as well that a significant dollar amount has not been remitted to the municipality. She suggested that because this would be new revenue, it would also be an opportunity for the Assembly to earmark direct funding in support housing within the community. She went on to provide potential statistics if those dedicated funds were used for housing programs as outlined in her email. She said that she understood that this was a little bit outside of the scope of the committee but wanted to present it to the committee as something they may want to provide as a recommendation to the Assembly.

Committee members then briefly discussed this idea and asked Mr. Barr about what the committee may be able to do with that proposal. Mr. Barr explained that it was up to the committee's discretion but he said that the Manager's Office would always advocate against dedicating funds. He said the Assembly and staff will often indicate an "intent" for the use funds in a certain manner, but the Alaska Constitution prohibits "dedicating" funds. He said that he agreed with Ms. Schijvens that there are likely taxes that aren't currently being collected that need to be collected and that they could be used towards the Assembly's housing goals.

The committee then took up item #5 prior to talking about the matrix.

### **5. Presentation of a Recommendation Option from Task Force Member Collins**

Discussion of housing/vacancy rate and how it is impacted by STRs. Ms. Schijvens said she has never seen an 8% vacancy rate in Juneau back to the early 1900s. Additional discussion took place regarding Ms. Collins' recommended option.

Mr. Bryson asked what staff needed for this discussion. Mr. Bryson suggested this may be something they could work on as a homework assignment.

### **4. Continued Discussion and Deliberation on Draft STR Matrix**

Chair Bryson said he would like the committee to attempt to complete the remaining 6 items on the Regulations/Draft Matrix. He also noted that if no one was in support of one of the regulatory options, the committee would skip that item.

Level	Seasonal STRs	% of Rental Stock	Year-round STRs	% of Rental Stock
1	<300 <sup>1</sup>	<6.4%	<80	<1.7%
2	300-450 <sup>2</sup>	6.4% - 9.5%	80-130	1.7% - 2.8%
3	450-600	9.5% - 12.7%	130-180	2.8% - 3.8%
4	600-750	12.7% - 15.9%	180-230	3.8% - 4.9%
5	>750	>15.9%	>230	>4.9%

For reference: Juneau has approximately 14,170 housing units. Approximately 1/3<sup>rd</sup>, or 4,723, are considered part of the rental stock.

<sup>1</sup> Staff opted to begin the levels at this number because a significant majority of the task force members have indicated a desire to minimally regulate single STR operators who are utilizing their primary residence and/or ADU as a STR and 300 represents a rough estimate of that type of STR use in our community. This could be alternately cared for by choosing a different impact metric and/or carving out an exemption in regulation.

<sup>2</sup> For the summer of 2024, we are in this range: ~387

The committee moved on to Regulatory Options discussion. Chair Bryson noted that regulations A, B, & C are either already enacted or in the process of being enacted. The committee started discussion with regulatory option G from the list below.

**From Packet Memo for Reference:**

**Regulatory options**

Based on STR Task Force discussions to date, the following regulatory options were included for consideration in the draft matrix below<sup>3</sup>.

- A. Requirement that STR operators obtain a free, annual permit *[previously acted upon]*
- B. Requirement that software platforms post valid STR permit numbers on advertisements *[previously acted upon]*
- C. Requirement that software platforms collect, and remit required taxes *[previously acted upon]*
- D. Institute a fee for the annual permit, increasing per number of STRs permitted per person/entity. *[previously acted upon]*
- E. Increase/change fines for non-compliance of permit terms – currently \$25/day for failing to register. Proposed change to \$100/day or the amount of the gross daily rate last advertised for the rental, whichever is greater. *[previously acted upon]*
- F. Cap the number of STRs permissible per person or entity. *[previously acted upon]*

See below for committee action on each of the following regulatory options:

- G. **Institute an onsite resident requirement for an STR to function on the parcel**
- H. **Institute an onsite resident requirement for an STR to function per dwelling unit (e.g. room rentals only, no whole house)**
- I. **Cap the number of permitted STRs at a specific number, exempt STRs with primary resident occupancy living on [the parcel or in the dwelling unit]**
- J. **Cap the number of permitted STRs at a specific number**
- K. **Propose a STR specific additional sales tax [requires a community-wide vote]**
- L. **Exempt shared-dwelling unit STRs, where an individual dwelling unit is lived in by a full-time resident and individual bedrooms with other shared living spaces are short-term rented, from certain regulations.**

Level	Regulations
1	A, B, C, D-
2	A, B, C, D
3	A, B, C, D
4	A, B, C, D+
5	A, B, C, D+

A minus (-) sign indicates the associated option at a lesser degree of regulatory burden and a plus (+) sign indicates the opposite. As an example, D- could be interpreted as “Fee required, but fee waived for onsite [parcel or dwelling unit] residency.”

- G. **MOTION**: by Ms. Collins to institute an onsite resident requirement for an STR to function on the parcel.

**Motion failed 2 years – 8 days**

**Yeas:** Collins, Triem

**Nays:** Smith, Schijvens, Coleman, Niven, Kauzlarich, Pedersen, Dordea and Bryson

- H. Institute an onsite resident requirement for an STR to function per dwelling unit (e.g. room rentals only, no whole house) – **no motion was made, and the committee skipped this question.**

- I. **MOTION:** by Ms. Collins to Cap the number of permitted STRs at a specific number, exempt STRs with primary resident occupancy living on @ levels 4 & 5 [the parcel or in the dwelling unit]

**Motion failed 5 years – 5 days**

**Yeas:** Collins, Triem, Smith, Kauzlarich, and Pedersen,

**Nays:** Schijvens, Coleman, Niven, Dordea and Bryson

- J. Cap the number of permitted STRs at a specific number – **no motion was made, and the committee skipped this question.**

- K. **MOTION:** by Mr. Kauzlarich to Propose a STR specific additional sales tax to all levels [requires a community-wide vote]

**Motion failed 1 years – 9 days**

**Yeas:** Kauzlarich

**Nays:** Schijvens, Collins, Triem, Smith, Coleman, Niven, Pedersen, Dordea and Bryson

- L. **MOTION:** by Ms. Triem to apply L. to all levels as follows: Exempt shared-dwelling unit STRs, where an individual dwelling unit is lived in by a full-time resident and individual bedrooms with other shared living spaces are short-term rented, from certain regulations.

**Motion failed 4 years – 6 days**

**Yeas:** Collins, Triem, Pedersen and Bryson

**Nays:** Schijvens, Smith, Kauzlarich, Coleman, Niven, and Dordea

- M. **MOTION** by Mr. Dordea to add an additional proposed regulation option to grandfather all short-term rentals that are currently registered with CBJ who have historically paid CBJ sales tax and hotel tax upon adoption of the matrix if there were caps included in the matrix.

**Objection and discussion took place regarding the motion. Mr. Dordea withdrew his motion.**

Ms. Triem said that this may not be the right location to make an additional recommendation but she suggested that the committee might recommend the Assembly look at ways to incentivize hotels in the community. She said that may be something they might talk about at a future meeting.

Mr. Dordea provided a brief overview of the red folder item titled: “Policy Brief: Short-Term Rental Regulation in Juneau, Alaska.” The key policy recommendations were:

1. Support compliance through platform cooperation.
2. Avoid blanket caps or residency requirements.
3. Target policies toward actual housing needs.
4. Use data to guide decisions; and
5. Fund a full economic impact study.

Mr. Bryson asked Mr. Barr if there was any additional information that he needed from the committee at this time. Mr. Barr spoke to the process and next steps and go over the draft matrix and they will also need to open the matrix up for public comment.

Mr. Bryson polled the members on whether they hold public testimony at the next meeting or if there are more questions that need to be answered before holding the public testimony. Members expressed a desire to have Mr. Barr provide more information on the KPI. Mr. Barr said that there may not be an achievable consensus and depending on what that looks like, he may or may not be able to bring back the information the committee is wanting to take public testimony.

Mr. Bryson said that everyone has homework to do, and they will hold a regular meeting for the next meeting and bring back all the items previously discussed with the matrix and will determine at that meeting what they will be moving forward to take public testimony on.

**G. STAFF REPORTS**

**H. COMMITTEE MEMBER COMMENTS AND QUESTIONS**

**I. NEXT MEETING DATE**

May 15, 2025 at 12:10pm Assembly Chambers/Zoom Webinar

**J. SUPPLEMENTAL MATERIALS**

**6. RED FOLDER: Staff Requests Amending Section 69.40.025**

**7. RED FOLDER: Policy Brief from STRTF Member Adam Dordea**

**K. ADJOURNMENT**

*Chair Bryson adjourned the meeting at 1:18p.m.*