

Reminder of charge

Create a matrix that evaluates and recommends various regulatory actions for STRs to improve housing availability in Juneau. This matrix should look at both short and long-term regulatory options in order to inform not only options to address the current STR and housing landscape, but also be the basis for the Assembly to take future action without the need to revisit this process if the landscape should change.

Impact levels – staff draft

Core to the matrix requires defining levels of housing availability/affordability impact at which various regulatory options would be considered. The task force may wish to either:

- 1) Revise the staff provided draft definitions below
- 2) Especially if unable to reach consensus, recommend the Assembly engage in research or attempt at the Assembly level to define impact levels.

Note: the task force may wish to further debate whether the quantitative measurement should be the number of **year-round** versus the number of **seasonally** operated STRs, or an entirely different metric.

- Using a **year-round** number (270+ days, full home), the task force could reasonably assume the vast majority of those units are only available for short-term rentals in any given year in the community. By using this number, the task force may miss the impact of seasonal STRs that, for whatever reason, are not available at any point in the year for longer-term rentals because of their seasonal status.
- Using a **seasonal** number, the task force would address any concerns about missing long-term rental impacts; however, this would discount the value of off-season long-term rentals (e.g. legislature) to the extent those are being provided by seasonal STR operations.
- Regardless of which quantitative measurement used, the task force could care for any real or perceived deficiencies by adjusting the recommended regulatory options associated with each level.

Level	Seasonal STRs	% of Rental Stock	Year-round STRs	% of Rental Stock	Rental Vac. Rate	Rental Cost Burden
1	<300 ¹	<6.4%	<80	<1.7%	> 8%	< 15%
2	300-450 ²	6.4% - 9.5%	80-130	1.7% - 2.8%	> 8%	< 20%
3	450-600	9.5% - 12.7%	130-180	2.8% - 3.8%	> 6%	< 25%
4	600-750	12.7% - 15.9%	180-230	3.8% - 4.9%	> 4%	< 30%
5	>750	>15.9%	>230	>4.9%	< 4%	> 30%

¹ 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.

² For the summer of 2024, we are in this range: ~387

For reference: Juneau has approximately 14,170 housing units. Approximately 1/3rd, or 4,723, are considered part of the rental stock. **RVR and RCB added as options for consideration from 5/1 meeting, data source: AKDOL.**

Regulatory options

Based on STR Task Force discussions to date, the following regulatory options were included for consideration in the draft matrix below³. **[5/15/25: The Task Force has acted / made preliminary decisions on all options at the 4/17 and 5/1 meetings]**

- A. Requirement that STR operators obtain a free, annual permit
- B. Requirement that software platforms post valid STR permit numbers on advertisements
- C. Requirement that software platforms collect and remit required taxes
- D. Institute a fee for the annual permit, increasing per number of STRs permitted per person/entity.
- 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.
- F. Cap the number of STRs permittable per person or entity.
- 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.

Draft Matrix

Based on the above, the task force may consider the below a starting point for discussion as it develops a matrix for public comment and eventual submission to the Assembly:

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

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

³ Regulatory categories the task force elected not to pursue include: zoning restrictions, neighborhood and/or building restrictions, density limits, bans, caps on STR days of operation, and minimum rental periods.

waived for onsite [parcel or dwelling unit] residency.” Red text (all regulatory options listed other than A, B, and C) represent actions taken by the task force beginning at the 4/17/25 meeting. Additional context below.

Staff did not have a sense of where the task force would collectively place items E through L as a starting point and look to the task force for continued discussion on those and any other potential options.

The next two tasks for the STR task force are to:

- 1) Discuss and confirm or change the metrics used for the impact levels section of the matrix
- 2) Discuss and confirm or change the regulatory options at each level within the matrix

Notes:

A is already in place; existing code (69.40.020(f)) requires notification to CBJ within 30 days of any changes to the registration (e.g. sale/transfer of property) which allows the permit to move from seller to buyer.

B, C are pending public hearing and adoption at the next Regular Assembly Meeting in accordance with the recommendation of the STR Task Force.

E is partially proposed to change, as noted above, and is a staff recommendation.

4/17/25 Actions

- D- defined as no fee (current state)
- D defined as some fee that covers administrative costs
- E fine defined at \$100/day, with an initial no-fine warning
- F – task force intent to further define the cap number later in the process

5/1/25 Actions

- G, H, I, J, K, L – no action / failed votes