CITY OF ALBUQUERQUE

SHORT TERM RENTALS

Public Meeting
March 19, 2019

WELCOME!
INTRODUCTIONS

• Councilor Diane Gibson
• Petra Morris, City Council Planning Manager
• Jackie Fishman, Principal, Consensus Planning
• Short Term Rentals Task Force Members
  o Brennon Williams  o Russell Brito  o Tushar Patel
  o Jacobo Martinez  o Tania Armenta  o John Lucero
  o Nick Bullock  o Kent Cravens  o Jesse Herron
  o Petra Morris  o Terry Quinn
  o Isaac Padilla  o George Marsh
  o Cilia Agliatolo  o Tawnya Mullen
STR Task Force is comprised of City staff, community members, and representatives from relevant industries.

R-18-49 was established by City Council to consider:

- Options for registration of short term rentals
- Options for regulation of short term rentals to address concerns about safety, nuisance, and compatibility
- Options for the City to collect appropriate registration fees and lodging taxes
- Any other relevant and helpful options relating to this issue
• Ongoing since November 2018
• Six meetings held to date
• Meetings will continue until June
• Discussion has been focused on:
  o What level of regulation would be appropriate for Albuquerque?
  o What should the registration requirements entail?
  o How could the City administer a STR program?
<table>
<thead>
<tr>
<th>STR Definition</th>
<th>Austin</th>
<th>Boulder</th>
<th>Colorado Springs</th>
<th>Denver</th>
<th>Kansas City</th>
<th>San Antonio</th>
<th>Santa Fe</th>
<th>Taos</th>
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</thead>
<tbody>
<tr>
<td>A residential dwelling unit or accessory building</td>
<td>A residential dwelling that serves as a primary residence or accessory unit on the same parcel</td>
<td>A residential dwelling unit owned by the federal government, the state, or any of their agencies or political subdivisions and facilities licensed by the state as healthcare facilities</td>
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<td>A private owned residential dwelling, such as, but not limited to, a single-family detached or multi-family attached unit, apartment, condominium, cooperative apartment, duplex, or any portion of such dwelling rented for occupancy for dwelling, lodging, or sleeping purposes</td>
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<td>Three (3) types identified: • Type 1 (Owner-occupied as primary or secondary residence) • Type 2 (Not owner occupied in a single family or duplex unit) • Type 3 (Not owner-occupied in a multi-family unit)</td>
<td>May not be dwellings owned by the federal government, the state, or any of their agencies or subdivisions and facilities licensed by the state as healthcare facilities</td>
<td>Length of stay is &lt; 30 days</td>
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<td>Length of stay is &lt; 30 days</td>
<td>An accessory unit may not be rented for more than 120 days in any calendar year; there is not limit on the primary unit</td>
<td>The rental property must be used as a primary residence</td>
<td>Length of stay is &lt; 30 days</td>
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<tr>
<th>Host Occupancy Requirements</th>
<th>Owner occupancy is not required</th>
<th>Rental property must be the owner's primary residence or an accessory unit on the same parcel</th>
<th>Permits are issued to the owner of the property but may be managed by a third party on behalf of the owner</th>
<th>Rental property must be a primary residence</th>
<th>Property owners and long-term renters (with permission from landlord) may apply for a permit</th>
<th>Owner occupancy is not required</th>
<th>Ordinance does not address owner occupancy</th>
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<td>A primary residence means that the owner occupies the dwelling for more than one half of the year</td>
<td>A primary residence means that the property is to be occupied a cumulative minimum of 270 days per year</td>
<td>Carriage houses (or accessory units may be approved for owner occupied status as long as the principal building is owner occupied</td>
<td>Owner occupancy is not required</td>
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<tr>
<th>Length of Permit or License</th>
<th>1 year</th>
<th>4 years</th>
<th>1 year</th>
<th>1 year</th>
<th>1 year</th>
<th>3 years</th>
<th>1 year</th>
<th>1 year</th>
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<td>Issued on an annual basis per calendar year</td>
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CITY OF ALBUQUERQUE – SHORT TERM RENTALS PUBLIC MEETING
BEST PRACTICES RESEARCH

• Peer City Analysis
  o Austin, TX
  o Boulder, CO
  o Colorado Springs, CO
  o Denver, CO
  o Kansas City, MO
  o San Antonio, TX
  o Santa Fe, NM
  o Taos, NM

• Registration
  o Definitions
  o Occupancy Requirements
  o Length of Permit or License
  o Registration Requirements & Fees
  o Renewal Details
  o Insurance Requirements
BEST PRACTICES RESEARCH

• Regulations
  o Zoning Restrictions
  o Display of Permit
  o Required Inspections
  o Occupancy Limitations
  o Fire Safety and Carbon Monoxide
  o Noise Control
  o Signage
  o Parking
  o Waste Management
  o Special Events/Parties
  o Sleeping Area Requirements
  o Emergency Contact
  o Neighborhood Notification
  o Neighborhood Protection
BEST PRACTICES RESEARCH

• Administration
  - Taxes
  - Tax Reporting and Payment
  - Staffing
  - Steering/Advisory Committee
  - Fees Generated from Application
  - Application Process Challenges
  - Enforcement
  - Appeal Process
  - Other Issues
BEST PRACTICES RESEARCH

• Require hosts, property managers, and platforms to register and provide detailed records of their rentals and rental activity.

• Make sure the ordinance is enforceable by specifying that advertisement of unpermitted STRs will be considered prima facie evidence of illegal activity.

• Make it easy for STR operators to get permits, register, and pay their taxes online (and make the online forms mobile friendly!).

• Make it easy for neighbors to report, prove, and resolve non-emergency STR related problems in real time.
• STRs should be allowed in all residential and mixed use zones.
• STRs should not be allowed in non-residential zones.
• There should be no limitation on the number of times an STR can be rented.
• Owner occupancy should not be required and regulations should not differentiate between owner-occupied and non-owner occupied units.
REGULATION – AREAS OF AGREEMENT

- STR hosts currently cannot advertise that units are available for special events.
- Small, private gatherings should be allowed, but overnight stay for the additional guests should not be allowed.
- There should be no limitation on the number of private gatherings at a STR unit.
• STRs should maintain an outward residential appearance.
• Advertising should not be allowed on STR units within residential zones.
• The permit should be displayed on the inside of the STR unit.
• The permit number should be required on all marketing materials.
• Violation of regulations should result in a civil penalty; penalties should be tiered.
REGISTRATION – AREAS OF AGREEMENT

• STR owner/operator should register with the City.
• Registration and permitting should be with the Planning Department, Code Enforcement Division.
• Proof of business license for each STR property should be provided to City upon registration.
• A permit should be required for each STR property.
• Permits should run for one year; cost for the first year should be $250; annual renewal should cost less.
REGISTRATION – AREAS OF AGREEMENT

• Permit should stipulate that STR owner agrees to comply with City ordinances (noise, trash collection, zoning, weed and litter, parking, air quality/no burn nights, occupancy).

• City should provide a voluntary “Good Neighbor Agreement”:
  o Encourage STR operators to notify adjacent neighbors as a courtesy
  o Encourage STR operators to provide emergency contact numbers
  o List relevant existing City ordinances that should be followed
  o Provide information on Visit Albuquerque
City should complete a fiscal impact study that includes:
- Appropriate staffing level
- One time set-up costs (computers, desks, space, phones)
- Software needs
- Ongoing costs

Hosts should register with City Treasury or through a booking platform to pay lodgers’ and hospitality taxes.

Permit fees should be earmarked for staffing and administration costs related to STR regulations.
ADMINISTRATION – AREAS OF AGREEMENT

• Advisory committee should convene only when necessary to review or change regulations, but not as a standing committee.

• Resolution that established Lodgers’ Tax Advisory Board should be amended to add STR representative.

• Appointment to be on Lodgers’ Tax Advisory Board should go through the normal City process.
Recently passed Senate Bill 106 removed exemption that allowed STR operators to avoid paying lodgers’ tax.

Removal of the exemption will level the playing field and help strengthen the tourism industry.

Lodgers’ tax is typically used for promotion and advertising tourism related events, activities, and facilities.

The new law will apply to all STRs effective 1/1/2020.
COA currently has a voluntary collection agreement with Airbnb for collecting lodgers’ tax and hospitality fees from hosts and remitting these fees to the COA.

COA recently notified Expedia/HomeAway/VRBO regarding State Legislation and requested to enter into a collection agreement with the City (similar to Airbnb).

COA will interview companies to assist with address identification, compliance monitoring, enforcement, outreach, and tax collection.
UNRESOLVED ISSUES – CONCENTRATION & SPACING

• Discussion of regulating concentration and spacing of STRs in residential neighborhoods as a means of protecting neighborhood character and integrity.

• Task Force looked at 5 examples of different block sizes: NW Mesa, Nob Hill, SW Mesa, North Valley, and Old Town.

• Task Force considered percentages of blocks – 15%, 30% - but didn’t agree on any level of concentration or spacing.
UNRESOLVED ISSUES – CONCENTRATION & SPACING

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NW Mesa

Nob Hill

SW Mesa

North Valley

Old Town
UNRESOLVED ISSUES – OCCUPANCY

• Uniform Housing Code determines maximum residential occupancy – would require a floor plan or measurement.

• Maximum residential occupancy is based on habitable floor area:
  o Removes garage, porches, bathrooms
  o Requires 150 square feet of floor space for occupant #1
  o Requires 100 square feet of floor space for occupant #2 and above

• Uniform Housing Code standard renders a higher occupancy level for larger homes.
UNRESOLVED ISSUES – OCCUPANCY

Example: 1,200 SF Home

Habitable Floor Area:
- Bedroom 1: 162 SF
- Bedroom 2: 120 SF
- Bedroom 3: 100 SF
- Kitchen: 124 SF
- Dining Room: 113 SF
- Living room: 238 SF

Total: 857 SF
(343 SF “non-habitable space”)

Maximum occupancy = 8 people*
Occupant #1 – 150 SF floor space
Occupants #2-8 – 100 SF floor space each

*May be reduced due to other considerations (min. sleeping room area requirements, etc.)
UNRESOLVED ISSUES – OCCUPANCY

• Best Practices Research:
  o Santa Fe: maximum 2 persons per bedroom
  o Taos: maximum 2 persons per bedroom; daytime capacity not to exceed 20 daytime guests for 5 bedrooms or more
  o Kansas City: maximum 2 persons per bedroom; limited to 8 guests
  o Denver: no maximum
  o Boulder: controlled by zoning; 3-4 persons of a family and 2 additional persons; accessory units limited to family members or two unrelated adults
NEXT STEPS

- Collect and review comments from public meeting.
- Task Force debrief meeting(s).
- Consensus Planning to complete report on Task Force recommendations.
- Presentation to the City Council.