

**CITY OF ALBUQUERQUE**  
**SHORT TERM RENTALS**

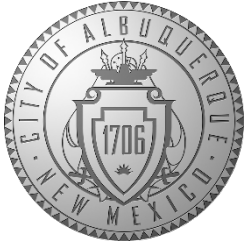


**Public Meeting**  
**March 19, 2019**

**WELCOME!**



# INTRODUCTIONS



- Councilor Diane Gibson
- Petra Morris, City Council Planning Manager
- Jackie Fishman, Principal, Consensus Planning
- Short Term Rentals Task Force Members
  - Brennon Williams
  - Jacobo Martinez
  - Nick Bullock
  - Petra Morris
  - Isaac Padilla
  - Cilia Agliadoro
  - Russell Brito
  - Tania Armenta
  - Kent Cravens
  - Terry Quinn
  - George Marsh
  - Tawnya Mullen
  - Tushar Patel
  - John Lucero
  - Jesse Herron



# SHORT TERM RENTAL TASK FORCE

- 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



# TASK FORCE MEETINGS

- Ongoing since November 2018
- Six meetings held to date
- Meetings will continue until June
- Discussion has been focused on:
  - What level of regulation would be appropriate for Albuquerque?
  - What should the registration requirements entail?
  - How could the City administer a STR program?



# BEST PRACTICES RESEARCH

	Austin	Boulder	Colorado Springs	Denver	Kansas City	San Antonio	Santa Fe	Taos
<b>REGISTRATION</b>								
<b>STR Definition</b>	<p>A residential dwelling unit or accessory building</p> <p>Three (3) types identified:</p> <ul style="list-style-type: none"> <li>• Type 1 (Owner-occupied as primary or secondary residence)</li> <li>• Type 2 (Not owner occupied in a single family or duplex unit)</li> <li>• Type 3 (Not owner-occupied in a multi-family unit)</li> </ul> <p>Length of stay is &lt; 30 days</p>	<p>A residential dwelling that serves as a primary residence or accessory unit on the same parcel</p> <p>May not be dwellings owned by the federal government, the state, or any of their agencies or political subdivisions and facilities licensed by the state as healthcare facilities</p> <p>Length of stay is &lt; 30 days</p> <p>An accessory unit may not be rented for more than 120 days in any calendar year; there is not limit on the primary unit</p>	<p>A residential dwelling unit</p> <p>May not be dwellings owned by the federal government, the state or the City, or any of their agencies, or facilities licensed by the state as healthcare facilities</p> <p>Length of stay is &lt; 30 days</p>	<p>A residential dwelling unit</p> <p>The rental property must be used as a primary residence</p> <p>Length of stay is &lt; 30 days</p>	<p>A residential dwelling unit</p> <p>Historic landmarks and properties in historic districts must obtain a special use permit</p> <p>Length of stay is &lt; 30 days</p>	<p>Two (2) types identified:</p> <ul style="list-style-type: none"> <li>• Type 1 (Owner-occupied)</li> <li>• Type 2 (Not owner-occupied)</li> </ul> <p>Length of stay is 12 hours-30 days</p>	<p>A primary dwelling unit or accessory dwelling unit in a residentially zoned area</p> <p>Resort units, non-residentially zoned units, and commercially zoned units are also eligible but require registration in addition to permit</p> <p>Length of stay is &lt; 30 days</p> <p>No more than one rental is allowed within a seven (7) consecutive day period</p>	<p>A privately owned residential dwelling, such as, but not limited to, a single-family detached or multiple-family attached unit, apartment, condominium, cooperative apartment, duplex, or any portion of such dwelling rented for occupancy for dwelling, lodging, or sleeping purposes</p> <p>Length of stay is &lt; 30 days</p>
<b>Host Occupancy Requirements</b>	<p>Owner occupancy is not required</p>	<p>Rental property must be the owner's primary residence or an accessory unit on the same parcel</p> <p>A primary residence means that the owner occupies the dwelling for more than one half of the year</p>	<p>Permits are issued to the owner of the property but may be managed by a third party on behalf of the owner</p>	<p>Rental property must be a primary residence</p> <p>Property owners and long-term renters (with permission from landlord) may apply for a permit</p>	<p>To be considered owner-occupied, the property must be occupied a cumulative minimum of 270 days per year</p> <p>Carriage houses (or accessory units) may be approved for owner occupied status as long as the principal building is owner occupied</p>	<p>Owner occupancy is not required</p>	<p>Ordinance does not address owner occupancy</p>	<p>Ordinance does not address owner occupancy</p>
<b>Length of Permit or License</b>	1 year	4 years	1 year	1 year	1 year	3 years	1 year Issued on an annual basis per calendar year	1 year



# BEST PRACTICES RESEARCH

- Peer City Analysis

- Austin, TX
- Boulder, CO
- Colorado Springs, CO
- Denver, CO
- Kansas City, MO
- San Antonio, TX
- Santa Fe, NM
- Taos, NM

- Registration

- Definitions
- Occupancy Requirements
- Length of Permit or License
- Registration Requirements & Fees
- Renewal Details
- Insurance Requirements



# BEST PRACTICES RESEARCH

- Regulations

- Zoning Restrictions
- Display of Permit
- Required Inspections
- Occupancy Limitations
- Fire Safety and Carbon Monoxide
- Noise Control
- Signage
- Parking
- Waste Management
- Special Events/Parties
- Sleeping Area Requirements
- Emergency Contact
- Neighborhood Notification
- 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.



# REGULATION – AREAS OF AGREEMENT

- 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.



# REGULATION – AREAS OF AGREEMENT

- 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”:
  - Encourage STR operators to notify adjacent neighbors as a courtesy
  - Encourage STR operators to provide emergency contact numbers
  - List relevant existing City ordinances that should be followed
  - Provide information on Visit Albuquerque



# ADMINISTRATION – AREAS OF AGREEMENT

- 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.





# ADMINISTRATION - TAXATION

- 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.



# ADMINISTRATION - TAXATION

- 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.

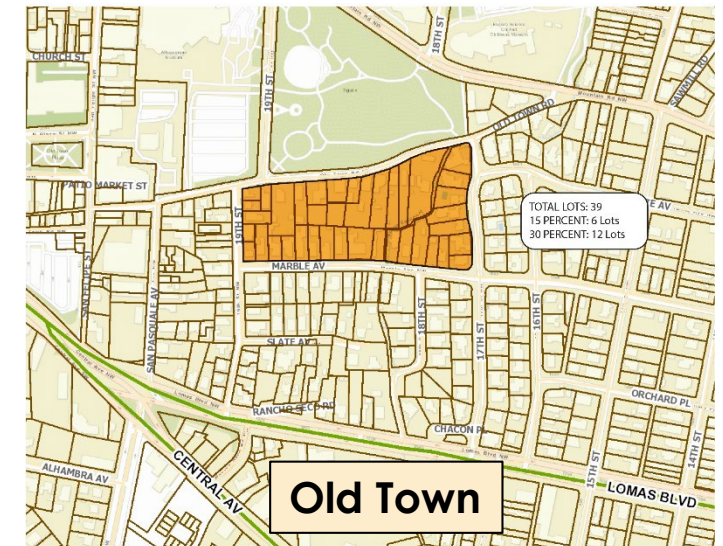
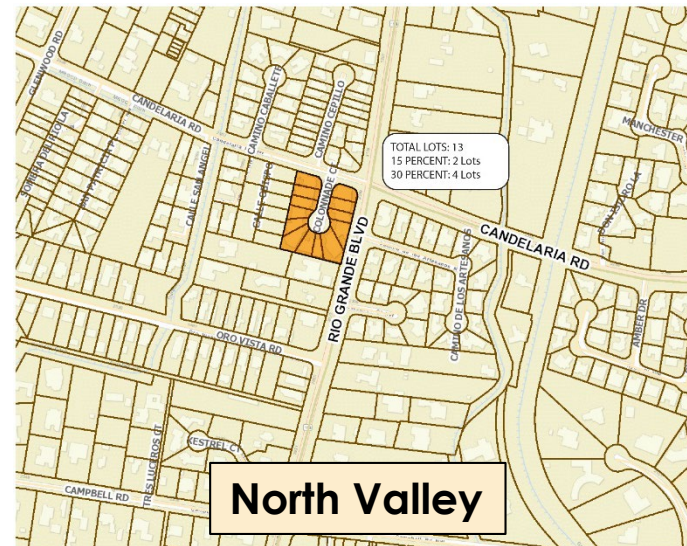
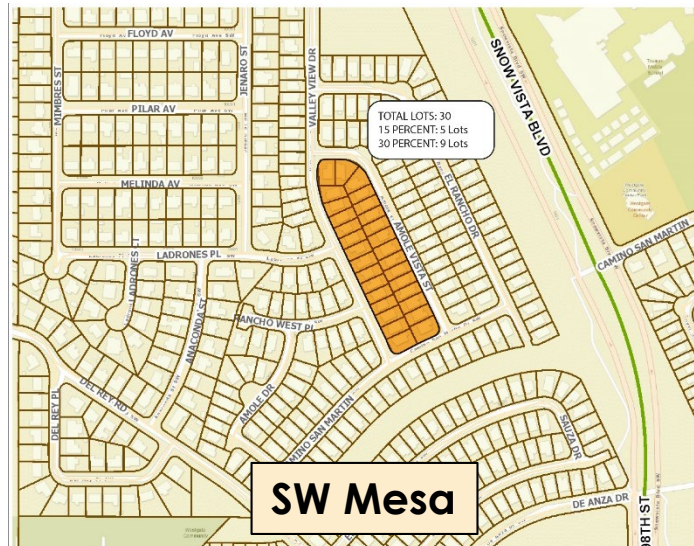
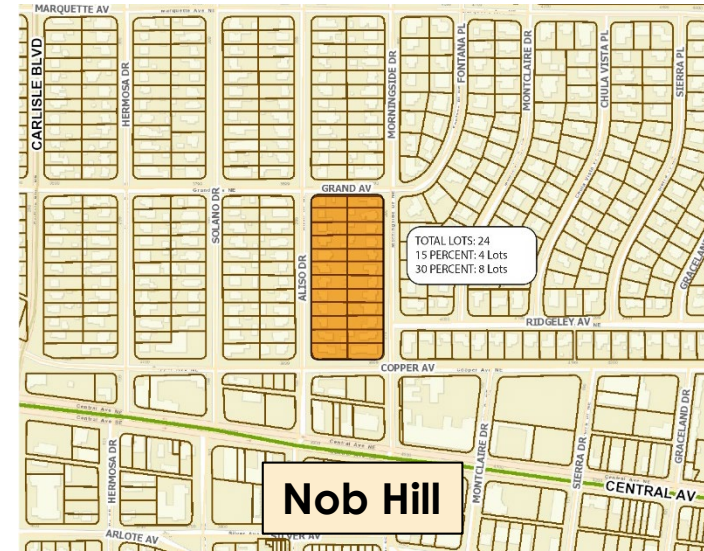
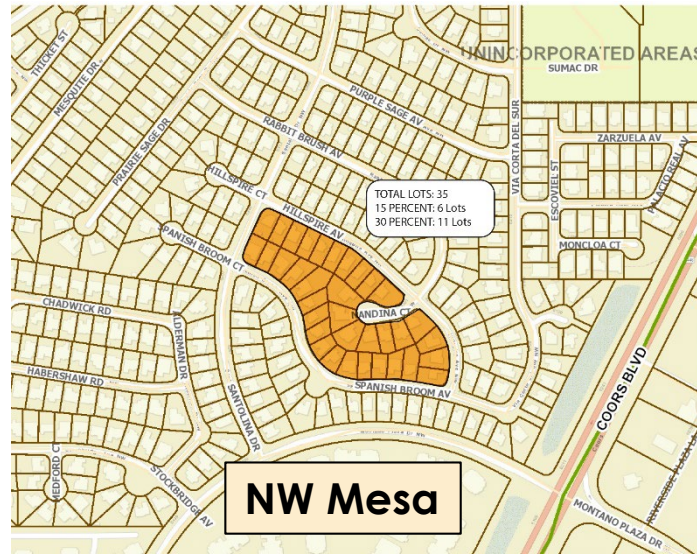


# UNRESOLVED ISSUES – CONCENTRATION & SPACING

- 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



# 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:
  - Removes garage, porches, bathrooms
  - Requires 150 square feet of floor space for occupant #1
  - 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	<u>238 SF</u>
<b>Total</b>	<b>857 SF</b>

(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:
  - Santa Fe: maximum 2 persons per bedroom
  - Taos: maximum 2 persons per bedroom; daytime capacity not to exceed 20 daytime guests for 5 bedrooms or more
  - Kansas City: maximum 2 persons per bedroom; limited to 8 guests
  - Denver: no maximum
  - 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.

