

SHORT TERM RENTAL TASK FORCE (STRTF) AGENDA

May 01, 2025 at 12:10 PM

Assembly Chambers/Zoom Webinar

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
- **B. LAND ACKNOWLEDGEMENT**
- C. ROLL CALL
- D. APPROVAL OF AGENDA
- E. APPROVAL OF MINUTES
 - 1. April 17, 2025 STRTF Meeting Minutes Draft
- F. AGENDA TOPICS
 - 2. STR legislation collect/remit & permit posting update
 - 3. Presentation of a Recommendation Option from Task Force Member Schijvens
 - 4. Continued Discussion and Deliberation on Draft STR Matrix
 - 5. Presentation of a Recommendation Option from Task Force Member Collins
- **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

ADA accommodations available upon request: Please contact the Clerk's office 36 hours prior to any meeting so arrangements can be made for closed captioning or sign language interpreter services depending on the meeting format. The Clerk's office telephone number is 586-5278, e-mail: city.clerk@juneau.gov.

SHORT TERM RENTAL TASK FORCE (STRTF) MINUTES - DRAFT



April 17, 2025 at 12:10 PM

Assembly Chambers/Zoom Webinar

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 Dordea

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, Assemblymember Alicia Hughes-Skandijs, Commissioner Erik Pedersen, Dan Coleman, Patty Collins, Ryan Kauzlarich, Adam Dordea, Carole Triem, Joyce Niven, and Meilani Schijvens

Absent: Deputy Mayor Greg Smith

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

D. APPROVAL OF AGENDA – agenda approved as presented

E. AGENDA TOPICS

1. Discuss and Deliberation on Draft STR Matrix

Task Force members reviewed the first part of the matrix – a starting point for Impact levels, and whether to utilize a year-round number or a seasonal number; noting it is a bit of a chicken and egg scenario when discussing impact levels vs. regulatory options. Mr. Barr reminded members of Ms. Schijvens previous presentation where she discussed the number of short-term rentals that are operation for 270+ days; however, the con would be if you use that number you may miss the impact of seasonal short-term rentals. If you choose to use a seasonal number and make regulatory decisions based on that seasonal number you may be discounting the long-term rentals that happen in those housing units in the off season, such as legislative housing.

From Packet Memo for Reference:

| Level | Seasonal | % of Rental Stock | Year-round | % of Rental Stock |
|-------|----------------------|-------------------|------------|-------------------|
| | STRs | | STRs | |
| 1 | <300¹ | <6.4% | <80 | <1.7% |
| 2 | 300-450 ² | 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 1/3rd, or 4,723, are considered part of the rental stock.

Section E, Item 1.

Ms. Collins suggested the task force not use the numbers in the matrix but instead use Juneau vacancy rate and the rental cost burdens. These are numbers that are provided annually in March by the State. These are the only numbers that will actually show us what the housing market actually looks like.

Ms. Schijvens commented that as a technical issue, if we use the 70 Units, the year-round units that are the entire house then we can use the denominator as the rental stock since those are the units that act as rental stock; otherwise, we would need to use the entire Juneau housing stock as the denominator because the other housing units are not acting as rental stock, they aren't part of the rental market or being used year-round in that way. So, the denominator for a table like this would need to be the just over 14,000 housing units.

Ms. Hughes-Skandijs asked for clarification from Ms. Schijvens.

Ms. Schijvens responded that when she's tracking short-term rentals as part of the overall rental market, she looks at the 270 days or longer entire house rental because those are the housing units that look like rental units. If we're looking at as a percentage of the total rental units in a community, that's how we do the percentage. If we're looking at short-term rentals in a different way, then we need to use the denominator as all housing units in a community because a lot of these units are not acting as rental units or displacing rental units; they're part of the larger housing economy. So, we would need to use the full housing unit as the denominator.

Discussion continued on options and the committee landed on requesting Mr. Barr to work with Ms. Collins on her suggestion and bring that information on impact levels back to the next meeting.

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 D and got through option F to add to the Draft Matrix Levels 1-5 before running out of time and needing to adjourn.

From Packet Memo for Reference:

- 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.

| 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."

<u>MOTION</u>: by Ms. Triem to add (D-) to level 2 and define (D-) as no fee; (D) is defined as some fee that covers administrative costs starting at level 3 and (D+) at levels 4 and 5 remain. *Motion Passed 6 yays – 4 nays*

Yays: Triem, Schijvens, Coleman, Niven, Dordea, and Bryson

Nays: Collins, Kauzlarich, Hughes-Skandijs, and Pedersen

MOTION: by Ms. Triem define (E) as increasing the fine to \$100/day with a warning built-in and applies at all

levels. Motion Passed 8 yays - 2 nays

Yays: Triem, Schijvens, Coleman, Niven, Collins, Kauzlarich, Hughes-Skandijs, and Bryson

Nays: Pedersen and Dordea

MOTION: by Ms. Hughes-Skandijs to apply (F) to all levels and further define that cap number later on.

Motion Passed 6 yays - 4 nays

Yays: Hughes-Skandijs, Pedersen, Kauzlarich, Niven, Collins, and Triem

Nays: Dordea, Coleman, Schijvens, and Bryson

Amendment 1: by Mr. Pedersen to only apply (F) to levels 4 and 5. Motion Failed 5 yays – 5 nays

<u>Yays</u>: Pedersen, Dordea, Coleman, Schijvens, and Bryson Nays: Triem, Hughes-Skandijs, Kauzlarich, Niven, and Collins

<u>Amendment 2</u>: by Mr. Dordea to have (F-) on levels 1 and 2, (F) on level 3, and (F+) on levels 4 and 5. <u>Motion Failed 5 yays – 5 nays</u>

Yays: Dordea, Pedersen, Collins, Coleman, and Bryson

Nays: Triem, Schijvens, Hughes-Skandijs, Kauzlarich, and Niven

Amendment 3: by Ms. Collins to apply (F) only to levels 2 through 5. Motion Failed 4 yays - 6 nays

Yays: Collins, Dordea, Pedersen, and Bryson

<u>Nays</u>: Hughes-Skandijs, Triem, Schijvens, Coleman, Niven, and Kauzlarich

2. Presentation of a Recommendation Option from Task Force Member Schijvens

Due to time constraints, the presentation from Ms. Schijvens was postponed to the next meeting.

F. STAFF REPORTS

1. Information Only: Public Comment To-Date.

An excel document of all public testimony received to-date was sent to task force members via email by Mr. Barr along with the April 17, 2025 STRTF packet.

G. COMMITTEE MEMBER COMMENTS AND QUESTIONS

The members discussed the need to hold two public testimony sessions prior to final wrap up of the task force. They will review potential dates and times at a future meeting.

H. NEXT MEETING DATES

May 1, 2025 at 12:10pm Assembly Chambers/Zoom

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

I. **SUPPLEMENTAL MATERIALS** - None

J. ADJOURNMENT

There being no further business to come before the committee meeting adjourned at 1:15 p.m.

 From:
 Meilani Schijvens

 To:
 Robert Barr

 Subject:
 STR option

Date: Sunday, April 13, 2025 8:15:26 PM

EXTERNAL E-MAIL: BE CAUTIOUS WHEN OPENING FILES OR FOLLOWING LINKS

Greetings Robert-

Can you include the following in this week's packet?

Greetings STR Task Force,

Our committee previously recommended that online Short-Term Rental (STR) facilitators, such as Airbnb and VRBO, automatically collect applicable CBJ taxes from STRs and remit these taxes directly to CBJ.

I propose an additional recommendation:

Revenues collected from Juneau STR taxes should be directed into a dedicated fund specifically supporting:

- New housing construction
- Down payment assistance
- Healthy homes rehabilitation and repairs
- Rental vouchers for low-income residents earning under 120% of Median Family Income (MFI)

According to AirDNA analysis, Juneau STRs generated total revenues of \$12.6 million in 2024, indicating potential CBJ tax collections of approximately \$1.77 million.

Two local organizations currently possess the expertise and capacity to effectively manage and allocate such funding: the Tlingit Haida Regional Housing Authority, which is already engaged in similar initiatives locally, and the Juneau Community Foundation, experienced in managing and directing local funding of this type.

Thank you for your consideration.

Sincerely,

Meilani Schijvens

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 | % of Rental Stock | Year-round | % of Rental Stock |
|-------|----------------------|-------------------|------------|-------------------|
| | STRs | | STRs | |
| 1 | <300¹ | <6.4% | <80 | <1.7% |
| 2 | 300-450 ² | 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 1/3rd, or 4,723, are considered part of the rental stock.

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

Regulatory options

Based on STR Task Force discussions to date, the following regulatory options were included for consideration in the draft matrix below³.

- 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 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.

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.

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

Sample STR Matrix Levels based on Rental Vacancy Rate & Rental Cost Burden

Vacancy Rate

- Healthy Rental Market 8% (% provided in our task force package)
- Currently Juneau has a 3.9% rental vacancy rate

Rental Cost Burden

- A cost burdened renter is where more than 1/3 of the renters income is spent on their rent, & household utilities such as heating or electric
- A healthy rental market is where less than 10-15% of renters are cost burdened (% I found internet, feel free to edit for accuracy)
- Currently 35% of renters in Juneau are cost burdened

Vacancy Rate & Cost Burden Data Source

- I suggest CBJ use an impartial & easy to access source for data, like the state of AK
 annual housing survey, which provides both the annual vacancy rate & cost burden.
 The state publishes the housing survey annually for each community.
- The link I received from from Robert Barr to the Ak housing survey:
 - https://live.laborstats.alaska.gov/data-pages/rental-information
 - There is a link to the methodology used for the survey on the state website. It says that it does not count dwelling units that are used for short term rentals but, if I'm understanding the methodology correctly, it would count empty units that are used for seasonal summer employees as vacant even though the unit is not intended to be rented until summer staff arrive.
 - This survey is done annually in March. This is not Juneau's busiest real estate season so it is reasonable to assume that the summer vacancy rate is smaller than the March vacancy rate.

Suggested STR Regulation Levels in relation to Rental Vacancy Rate & Cost Burden

| LEVELS | Rental Vacancy Rate & Rental Cost Burden | Regulations |
|---------|--|----------------------|
| Level 1 | > 8% RVR , < 15% RCB | A, B, C, E, F(3)* |
| Level 2 | > 8% RVR , < 20% RCB | A, B, C, E, F(2)* |
| Level 3 | > 6% RVR , < 25% RCB | D, B, C, E, F(1)* |
| Level 4 | > 4% RVR , < 30% RCB | D, B, C, E, F(1)*, G |
| Level 5 | < 4% RVR , > 30% RCB | D, B, C, E, F(1)*, G |

^{*} The number in parentheses represents the number of STR Dwelling units allowed per person.

> greater than

< less than

Staff Requests Amending Section 69.40.025 to Read:

- (a) Prior to the posting of any rental on a hosting platform, the operator utilizing a hosting platform to facilitate the rental shall obtain a valid rental registration number <u>and shall provide the hosting platform with their CBJ issued permit number</u>. The registration number must be displayed on each advertisement or public listing for a short-term residential rental that the operator or operator's designee maintains.
- (b) Hosting platforms shall notify operators who are seeking to utilize their services to rent property in the City and Borough of Juneau of the operator's obligation to obtain a registration permit under subsection (a) of this section. Hosting platforms shall require any operator's listing on the hosting platform's application, website, and other public listings to conspicuously include the registration permit number and shall not post an operator's listing without such registration permit number being previously provided to the hosting platform. Upon notification by the City Manager or a CBJ sales tax office employee that an operator's rental registration is not valid, the hosting platform must promptly remove any listings of said operator from their platform. Any property with a registration number that has been notified as no longer valid shall be considered an unregistered property 48 hours after notification has been given.
- (c) Hosting platforms shall provide monthly reports of all existing Juneau-based short term rentals and their permit numbers in excel or csv format for compliance review by CBJ staff.

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Policy Brief: Short-Term Rental Regulation in Juneau, Alaska

Context & Current Conditions Juneau currently has approximately 370 active short-term rentals (STRs) during peak season and 180 in the off-season. This number has remained stable for the past three years. The city has stated that STR regulation should focus solely on improving housing affordability and ensuring tax compliance. Juneau has experienced no documented STR-related nuisances such as noise complaints or party houses.

Key Facts

- The city's housing needs assessment identifies an immediate need for 400 housing units, 80% of which must be below \$2,000/month.
- Most STRs in Juneau do not match the current need and operate less than 180 days/year. Many transition to monthly rentals in the off-season, particularly to house the state legislature (January to May). 64% of STRs operate 6 months or less. Would housing be available for legislative session 200+ rentals went to long term and weren't available?
- Juneau is geographically insulated from non-cruise ship mass tourism growth due to its lack of road access and limited air/ferry capacity, limiting STR expansion naturally.
- Back-of-the-envelope estimates suggest STRs contribute over \$50 million annually in direct tourist spending, though a formal economic study has not yet been conducted.

Policy Recommendations

- Support Compliance Through Platform Cooperation: Finalize the city's collaboration with Airbnb/VRBO to improve tax collection. Most compliance issues are addressable through automation.
- 2. **Avoid Blanket Caps or Residency Requirements:** These do not align with the nature of STRs in Juneau and would have minimal impact on affordability.
- 3. **Target Policies Toward Actual Housing Needs:** If affordability is the goal, focus regulation on ADUs and 1–2 bedroom units that could be viable long-term rentals—not on high-end or seasonal properties unlikely to convert.
- 4. **Use Data to Guide Decisions:** Require registration and data-sharing for all STRs, then analyze annually to assess impact before introducing new restrictions.
- 5. **Fund a Full Economic Impact Study:** Use STR permit fees to commission a comprehensive, independent analysis of STR contributions to Juneau's economy and the potential economic impact of proposed restrictions.

Conclusion Juneau's short-term rental market is stable, limited in scale, and significantly supports local economic activity. Regulation should be measured, evidence-based, and directly tied to identified housing needs. Heavy restrictions could bring economic harm without meaningfully improving housing affordability.