



MEMORANDUM
ADMINISTRATIVE SERVICES
Procurement Division
County of Placer

TO: Board of Supervisors
FROM: Brett Wood, Purchasing Manager
SUBJECT: Short Term Rental Compliance Monitoring and Associated Services – Host Compliance LLC

ACTION REQUESTED

Approve a change order to an agreement with Host Compliance LLC of San Francisco, CA for short term rental monitoring and associated services in the amount of \$32,000 for a revised maximum amount of \$242,000. Funding is included in the Administrative Services' FY 2018-19 Final Budget.

Approve the renewal of an agreement with Host Compliance, LLC of San Francisco, CA to provide short term rental monitoring and associated services in the maximum amount of \$242,393 for the period of December 1, 2018 through November 30, 2019. Funding is included in the Administrative Services' FY 2018-19 Final Budget and will be included in future requested budgets.

Authorize the Purchasing Manager to sign all required documents subject to departmental concurrence and available funding, and authorize change orders consistent with Placer County's Procurement Policy.

BACKGROUND

The Administrative Services Department's Revenue Services Division (Department) administers the County's Transient Occupancy Tax (TOT) program in accordance with Revenue Taxation Code 7280 and Placer County Code, Article 4.16. TOT taxes paid by visitors help fund initiatives that benefit the County as a whole including public safety, transportation, libraries, public parks, infrastructure improvements, and historical and environmental preservation projects.

The Department currently manages 4,792 TOT certificates, properties registered to collect and remit transient occupancy taxes for overnight lodging within the unincorporated areas of Placer County. TOT collected and remitted during fiscal year 2018 was \$18,509,943. This amount equates to a 4.6% increase or \$839,046 in collections over the previous fiscal year.

The County's short term rental monitoring and compliance program was launched in November 2016 upon the execution of an agreement with Host Compliance, LLC of San Francisco, CA to provide the Department with short term rental monitoring and compliance services including address identification services.

During the past twelve months, approximately 480 vacation rental properties were positively identified by Host Compliance as new listings on vacation rental websites. This exceeded our budgeted projections by 160 properties. Therefore, the Department is requesting an increase of \$32,000 for rental monitoring and compliance services provided through November 30, 2018.

To continue to promote a fair and compliant short term rental market, the Department is requesting the renewal of a contract with Host Compliance to provide rental monitoring and compliance services. Staff has negotiated a mutually agreeable contract in the maximum amount of \$242,393 that supports the Department's objectives for short term rental monitoring and compliance services. This equates to an increase of \$19,500 to provide an automated hotline service for complaints concerning short term rentals and transitions the agreement to a flat rate model based on prior year totals.

Under this agreement, Host Compliance will continue to provide monthly reports with aggregate statistics on rental monitoring and compliance services including monthly reports with complete address information

and screen shots of all identifiable properties listed on vacation rental websites to ensure compliance with the County's TOT Ordinance.

Therefore, your Board's approval is required to proceed with a new agreement in the amount of \$242,393 for the period of December 1, 2018 through November 30, 2019.

FISCAL IMPACT

Funds are currently budgeted within the Administrative Services, Revenue Services Division's FY 2018-19 Final Budget, resulting in no new net County cost.