



AGENDA ITEM REPORT

Ordinance 23-05, An Ordinance of the City Council of Homer, Alaska Amending the FY23 Capital Budget by Appropriating \$20,239 from the General Fund Capital Asset Repair and Maintenance Allowance (CARMA) Fund for the Purpose of Obtaining Short Term Rental Tracking Services from GOVOS. Aderhold/Davis.

Item Type: Ordinance
Prepared For: Mayor Castner and Homer City Council
Meeting Date: 23 Jan 2023
Staff Contact: Rob Dumouchel, City Manager and David Parker, Special Projects Coordinator
Department: Administration
Attachments: [Ordinance 23-03](#)
[STR Memo - GovOs](#)
[Financial Supplement](#)
[GovOS Report](#)

Summary Statement:

See attached Memorandum from City Manager Dumouchel and Special Projects Coordinator Parker, and information fro GovOS.

Staff Recommendation:

Introduce Ordinance 23-05 and schedule for Public Hearing at the February 13, 2023 Council Meeting.

**CITY OF HOMER
HOMER, ALASKA**

Aderhold/Davis

ORDINANCE 23-03

AN ORDINANCE OF THE CITY COUNCIL OF HOMER, ALASKA, AMENDING THE FY23 CAPITAL BUDGET BY APPROPRIATING \$20,239 FROM THE GENERAL FUND CAPITAL ASSET REPAIR AND MAINTENANCE ALLOWANCE (CARMA) FUND FOR THE PURPOSE OF OBTAINING SHORT TERM RENTAL TRACKING SERVICES FROM GOVOS.

WHEREAS, Short term rentals have been identified as an area in which the City has an incomplete view of the number of market participants; and

WHEREAS, Short term rentals have been identified as an area in which it is likely the City is not capturing all of the tax revenues due to it for commercial sales within City limits; and

WHEREAS, The City has worked in positive partnership with the Kenai Peninsula Borough regarding short term rentals; and

WHEREAS, The software offering from GovOS has been reviewed by staff and is expected to be considerably stronger than the offering currently in use at the Borough.

NOW, THEREFORE, THE CITY OF HOMER ORDAINS:

Section 1. The Homer City Council hereby amends the FY23 Capital Budget by appropriating \$20,239 from the General Fund CARMA fund for Short Term Rental Tracking Services from GovOS as follows:

<u>Fund</u>	<u>Description</u>	<u>Amount</u>
156	General Fund CARMA	\$20,239

Section 2. This is a budget amendment ordinance and shall not be codified.

ENACTED BY THE CITY COUNCIL OF HOMER, ALASKA THIS ____ day of _____, 2023.

CITY OF HOMER

KEN CASTNER, MAYOR

43

44 ATTEST:

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47 _____

48 MELISSA JACOBSEN, MMC, CITY CLERK

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50 YES:

51 NO:

52 ABSENT:

53 ABSTAIN:

54

55 First Reading:

56 Public Hearing:

57 Second Reading:

58 Effective Date:



Memorandum

TO: Mayor Castner and Homer City Council
FROM: Rob Dumouchel, City Manager and David Parker, Special Projects Coordinator
DATE: December 27, 2022
SUBJECT: Short Term Rental Tracking Services Request

Identifying short term rentals (STRs) on multiple rental platforms (i.e., AirBnb, VRBO, etc.) is intentionally difficult, primarily because the rental addresses are not provided. This makes identifying the specific unit a time-consuming process. STR listing companies are not incentivized to provide the information to the local municipality due to the assessment of taxes and the potential negative impact it would have on that service. In past years, some companies, like Airbnb, entered contractual arrangements with larger cities to avoid local regulations banning their use in the STR market. However, for a city the size of Homer, it is very unlikely that we would be able to participate in any kind of direct cooperation with STR platforms.

To counteract the loss of revenue through unrealized tax assessments for STRs, there are products designed for municipalities. One such company is GovOS¹, which provides an STR solution called RevOS, which identifies STRs in the community, location and owner data, and rates. The basic product allows for a baseline identification of the STR and monitoring of their compliance with business registration and tax payments. The ongoing service allows updated information on units. Additional packages can provide billing services handled through GovOS, like the service they currently provide through the Alaska Municipal League (AML) for sales tax collection. From the GovOS prepared proposal for the City of Homer, we would be provided with:

Key Features & Functionality

- Rental Advertisement / Property Identification Database
- Non-compliant Property Report
- Property Owner Notifications & Targeted Outreach
- Registration of properties for owners in convenient portal
- Easy remittance of tax payments to you

Solution Highlights

- Fully automated solution accurately matching 98% of short-term rental ads to properties
- Data refresh occurs twice a week ensuring actionable and up to date listings
- Ability to develop fully customizable compliance statuses for Homer, AK
- Fully customizable Notification templates and instructions for owners

An additional benefit of working with GovOS is that it may be able to help the City figure out how to proceed in the future with potential concepts for local regulation of STRs which could include a basic registration process similar to food trucks, requirements to provide certain kinds of information to visitors (select City

¹ https://govos.com/how-local-governments-can-work-with-short-term-rentals-in-alaska/?utm_campaign=Q222%20-%20AK%20Webinar&utm_medium=email&_hsmi=218371928&_hsenc=p2ANqtz-8UYQHsOOKkCiTRMJARyCtmbbt2ZaxuUenhe_QclOrIFYgaiUeTLnJTWFNVgKG7t4e4J6HisTtFpEONWUJp9bvpx5sfw&utm_content=218371928&utm_source=hs_email

codes, Tsunami evacuation information, etc.), adherence to basic fire safety requirements, property management requirements, etc.

The cost of the program for the first year is \$20,239. We're suggesting that the City try this as a one year pilot project and extend for future years if we are getting the desired benefit from the relationship. Future years will cost a similar amount of money. Based on analysis of the current market for STRs in Homer, we believe implementing RevOS could result in a net gain of ~\$179,421 annually.

Staff Recommendation: Introduce and adopt Ordinance 23-05

CITY OF HOMER
FINANCIAL SUPPLEMENT

PROJECT NAME	<u>SHORT TERM RENTAL TRACKING SOFTWARE</u>	DATE <u>01/19/2023</u>
DEPARTMENT	<u>City Council</u>	SPONSOR <u>Aderhold/Davis</u>
REQUESTED AMOUNT	<u>\$ 20,239</u>	

DESCRIPTION	<p>Short term rentals have been identified as an area in which the City has an incomplete view of the number of market participants. Short term rentals have been identified as an area in which it is likely the City is not capturing all of the tax revenues due to it for commercial sales within City limits. The City has worked in positive partnership with the Kenai Peninsula Borough regarding short term rentals.</p> <p>The software offering from GovOS has been reviewed by staff and is expected to be considerably stronger than the offering currently in use at the Borough.</p>
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FUNDING SOURCE(S)	OPERATING	GF CARMA	GF FLEET CARMA	PORT RESERVES	WATER CARMA
	0%	100%	0%	0%	0%
	HAWSP	HART-ROADS	HART-TRAILS	PORT FLEET RESERVES	SEWER CARMA
	0%	0%	0%	0%	0%

FUNDING SOURCE 1: GF CARMA	FUNDING SOURCE 2:	FUNDING SOURCE 3:
Current Balance <u>\$ 2,411,902</u>	Current Balance _____	Current Balance _____
Encumbered <u>\$ 603,536</u>	Encumbered _____	Encumbered _____
Requested Amount <u>\$ 20,239</u>	Requested Amount _____	Requested Amount _____
Other Items on Current Agenda <u>\$ 0</u>	Other Items on Current Agenda _____	Other Items on Current Agenda _____
Remaining Balance <u>\$ 998,717</u>	Remaining Balance _____	Remaining Balance _____
FUNDING SOURCE 4:	FUNDING SOURCE 5:	FUNDING SOURCE 6:
Current Balance _____	Current Balance _____	Current Balance _____
Encumbered _____	Encumbered _____	Encumbered _____
Requested Amount _____	Requested Amount _____	Requested Amount _____
Remaining Balance _____	Remaining Balance _____	Remaining Balance _____



Short-Term Rental Solution

Homer, AK

Prepared for:

David Parker

Homer, AK
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Homer, Alaska, 99603

Submitted by:

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Who is GovOS?

Digital Transformation for Government

Building a modern government experience requires software that can be customized to meet the expectations of constituents and the needs of your staff. GovOS is a range of application suites, each designed to help you achieve digital transformation in areas that have historically been tricky to manage.

GovOS offers software solutions to power local government in every step of their digital transformation journey. Our applications perform for any department within any size government. Specializing in employee, business, and citizen engagement, GovOS can help you transform your agency and your community.

Why GovOS?

Governments use GovOS solutions to power online services for 20+ million constituents. As a partner to hundreds of government agencies we serve across the U.S., we're transforming the way people experience local government with best-in-class digital solutions and services that modernize operations and improve constituent access and engagement.

Advantages of GovOS

Peace of Mind

All GovOS digital solutions are cloud-based, adhering to the highest levels of security protocol and delivering secure, reliable and scalable access to information.

Ease of Use

Many of the solutions in the GovOS suite require no technical experience to use or administer. With just a little guidance and setup, customers can be up-and-running quickly.

Configuration Options

You have complete control over your functionality and workflows. From customizing and configuring automation options, you can build ideal, easy-to-use online services for everyone.

World-class Service

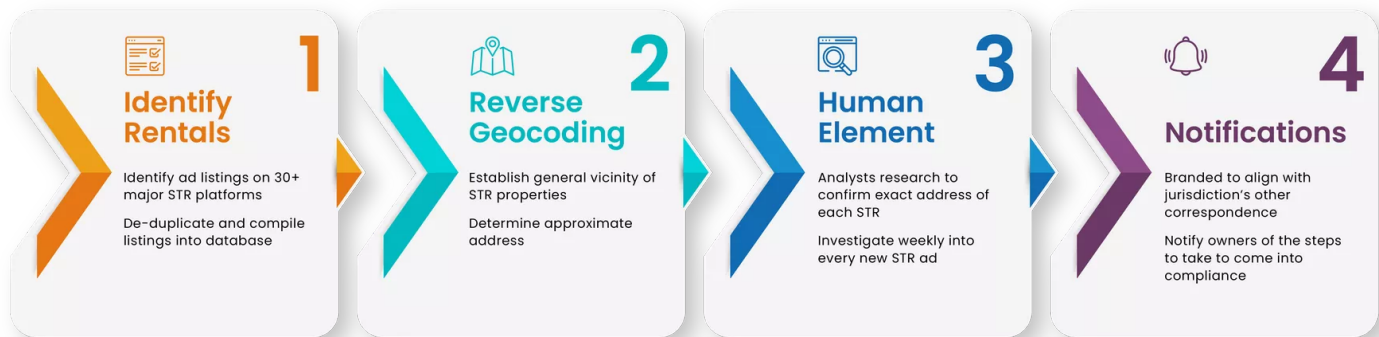
GovOS customers have access to truly superior customer service. From the first day of the project, our team works closely with yours to set you up for success, and help you achieve your goals no matter how lofty.

From quick wins to complete digital transformation, the GovOS platform fits your department. We look forward to working with you, David Parker and Homer, AK, and discovering how GovOS can help you better serve your constituents.



Short-Term Rental Overview

The Short-Term Rental (STR) Solution allows municipalities to identify 98% of short-term rental addresses and receive over 90% of their short-term rental compliance rates. Our system is fast, intuitive, and user friendly for both governments and business users. Additionally, our STR Solution provides governments with powerful one-click reporting tools, allowing Homer, AK to analyze the financial trends and patterns of your short-term rental market and transient occupancy tax revenue. This interpretable data will help the Homer, AK shape future short term industry policies.



Key Features & Functionality

- Rental Advertisement / Property Identification Database
- Non-compliant Property Report
- Property Owner Notifications & Targeted Outreach
- Registration of properties for owners in convenient portal
- Easy remittance of tax payments to you

Solution Highlights

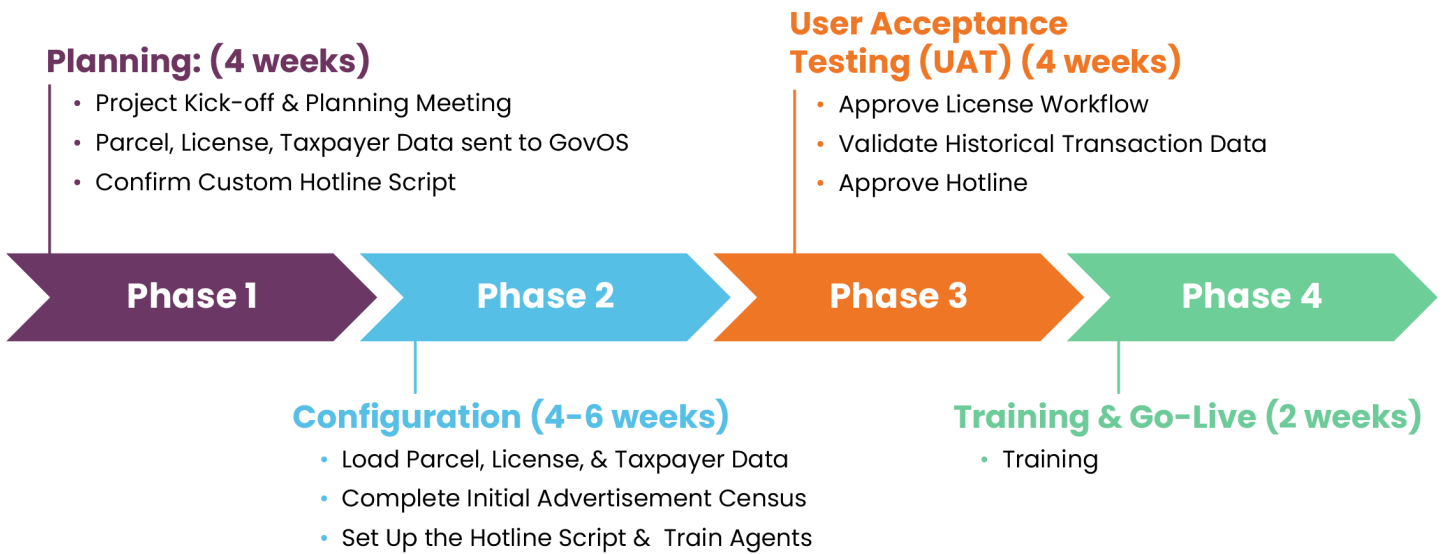
- Fully automated solution accurately matching 98% of short-term rental ads to properties
- Data refresh occurs twice a week ensuring actionable and up to date listings
- Ability to develop fully customizable compliance statuses for Homer, AK
- Fully customizable Notification templates and instructions for owners



Implementation Overview

Every implementation is different, and each workflow has specific needs. GovOS will begin the implementation by defining goals and understanding what success will look like for your team. Our team will review what configuration options are available and tailor your forms and workflows accordingly.

Here is an example of the general implementation effort for a complete STR solution. Your specific solution will be adapted to the products and features purchased. (12 Weeks)



One of the benefits of working with GovOS is that we make every effort to take the heavy lifting away from your staff and onto the GovOS implementation team. The GovOS Services Team will be with you every step of the way to iterate on your processes, train your team, and launch the STR Solution. GovOS's experience implementing our system will help ensure a smooth setup and launch.



All Available Modules



Short-Term Rental Discovery

- The GovOS STR system will discover all available Homer, AK short-term rental ad listings posted on all 30+ sites.



Short-Term Rental Identification

- GovOS STR will maintain a Homer, AK ad listing and property database in our system of all relevant ad and property data that is discovered.
- All aspects of the system and the database are accessible online by Homer, AK staff with unlimited licenses.



Ad Listing and Property Reconciliation

- The system and our expert review team will analyze all Homer, AK ad listings, which are not in the Homer, AK existing database, connect the ad listings to property record data, and determine compliance & registration status.
- Weekly PDF evidence capture is conducted on non-compliant listings.



Data Reporting

- The GovOS Short-Term Rental system has extensive reporting and filtering functionality to provide Homer, AK users with readily available short-term rental owner/manager contact data and compliance status.
- Homer, AK staff can access the compliance data via our online system can generate weekly reports for the code compliance staff.



Notifications

- Simple integrated notification system with complete data integration via “smart fields”
- The notification module enables Homer, AK to easily create batch notifications



US-Based Complaint Hotline

- 24/7 bilingual complaint hotline and online complaint reporting form
- Centralized online complaint database with dashboard for Code Enforcement & Compliance



Online Registration Systems

- Online property owner/manager task portal for new and renewal licensing
- Licensing process: online forms and uploads with user prompts
- Automated reminder notifications and easily customizable notification templates
- Custom application approval and interdepartmental collaboration
- Custom tax forms with auto calculation fields and penalty & interest
- All reporting and registration data can be exported anytime in CSV format



Payment Integration

- Integration with a GovOS partnered payment gateway



Comprehensive Support for All Users

Everyone who interacts with the GovOS STR Solution has access to our best-in-class support services should they encounter an issue or need further instruction on how to use the system.

Support for You & Your Agency

As part of your subscription, you will have access to application support resources within GovOS. Resources include:

- Assigned Account Manager
- Business Support Team | Available by email and phone 6am - 6pm (MT) Monday - Friday
- Personalized FAQ section in the License/Tax Portal developed for your constituents

What's Included

Support is defined as any questions surrounding how to use a feature within the platform, as well as troubleshooting any issues or bugs.

Details about training, troubleshooting, solution creation for achieving end-to-end goals, modifying the overall workflow of your solution, and high-level accomplishment needs are addressed in the Maintenance, Updates, and Training Features section on the following page.



Business User Support

Businesses that access the STR Solution for registration, tax filing, or other end-user functions are referred to as "Business Users." These users are typically either the property owner or the property management company.

Business Users are supported by a dedicated U.S.-based team whose goal is to assist Business Users in utilizing the STR platform. Our team will help guide Business Users through the process of registration, paying taxes, and assist them if they encounter any issues along the way.

Please note that we will handle all support types to the extent possible, but it is your agency's responsibility to explain and enforce ordinance requirements to your Business Users and community.



Maintenance, Modifications, and Training Features

As part of your agreement with GovOS, you have access to the GovOS Professional Services Team to perform Maintenance, Modifications, and Training.

Maintenance & Modifications* include, but are not limited to:

- Modifying Business Center Messages, Frequently Asked Questions and NotificationTemplates.
- Adding or removing admin users from platform.
- Quarterly Parcel Data Updates to maintain accurate owner information.
- Feature enhancements released to all clients.
- Ongoing Review of Short-Term Rental Compliance Activity and help bringing non-compliant properties into compliance.

Training options include, but are not limited to:

- Onsite or virtual training sessions to get your staff fully comfortable with administering the Application (Travel Expenses to be billed as incurred).
- Solutioning Sessions to help with System Technical Questions. This will help you to overcome questions such as "how do I handle this scenario?". Modifications may come out of these meetings.
- Assistance with Procedural Questions.
- Creation of training material and collateral to give your team takeaway guides.

**Requests for Custom modifications may incur an additional cost.*



Project Pricing

The solution is a package of the below service applications.

Homer, AK – Short-Term Rental Price Quote

Products
STR Compliance Ongoing compliance identification and monitoring for short term rental properties.
STR Core Web based training for jurisdiction staff (up to 6 hours). Unlimited, ongoing web and phone support are provided to all administrative staff as part of monthly hosting and support. Unlimited user logins for admins. Software hosting and license fees. Service and IT infrastructure, including 24/7/365 maintenance and support. Daily backups managed by our expert IT team. Enhancements released to all equivalent GovOS versions.
STR Identification Ongoing monitoring of new short term rental listings and properties, and an unlimited number of notification templates for compliance outreach.
STR Registration Automated renewals. Automated registration task reminders to business owners and/or operators. Access to the admin functionality in the system, including but not limited to reports, reconciliation, notifications, approvals, cashiering, etc.

Annual Total: \$20239



Customer Acceptance

Contact Information	
Organization Name	
Street Address	
City, State, Zip	
Primary Contact Name	
Primary Contact Email	
Billing Details	
Billing Details	
Billing Contact Name	
Billing Contact Email	
Billing Contact Phone	
Invoice Delivery Method	<input type="checkbox"/> Email/Electronic (default) <input type="checkbox"/> Mail
Preferred Payment Method	<input type="checkbox"/> Check <input type="checkbox"/> Credit Card <input type="checkbox"/> ACH

- Without a signed Agreement, pricing is good until .
- Subscription Start Date will be the date you sign the Agreement
- Subscription fees are pre-paid annually
- Invoice Date is the Subscription Start or Renewal Date. All invoices are due Net thirty (30) days of the Invoice Date.
- This Agreement will automatically renew for additional one-year terms (each a "Renewal Term") unless either you or we notify the other of an intent not to renew at least thirty (30) days prior to the expiration of the then current term.
- Pricing for Renewal Terms will include a seven percent (7%) increase from the prior term.
- All standard Terms of Use can be found at <https://govos.com/business-licensing-and-tax/terms-of-use/> and are hereby incorporated into this order.



Customer Acceptance

Customer Signature

Signature of Authorized City
Representative

Title

Date

GovOS Signature

Signature of Authorized GovOS
Representative

Title

Date