



govService

# Host Compliance

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Fairfax

Kester Bonsu  
January 2021

# Monitoring Short-Term Rentals (STRs) presents both widely known and underappreciated challenges



Getting **visibility** into STR data is **nearly impossible**



**Manual processes** weigh on my team and **drain our budget**



Our **internal alignment** is ineffective and **suffers**



So much of my **time is wasted** on **finding more room in the budget**

🕒 **<10%**

Of STR owners voluntarily get registered and pay all of their taxes

🕒 **20-30%**

Issues with STRs growing at an alarming rate year over year

# The Short-Term Rental Market is Exploding

*Many communities are struggling to define and enforce regulations that preserve community character and keep communities safe while ensuring revenue collection.*



**15x**

the # of short-term rental listings since 2011



**27**

global markets have seen home rentals outperform hotels in the last year



**100s**

of different platforms make it nearly impossible to manually track STR property listings



**239%**

Increase in STR related party complaints in the last year

# Without compliance, local government knows STRs bring significant challenges

» Lost economic opportunities

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» Diminished neighborhood character

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» Impact on housing affordability

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» Wasted time and money



### The Case that Short-Term Rentals Actually Make Our Neighborhoods Stronger

Kia Wilson · September 25, 2019

News | Technology

### Tech challenges (and coronavirus) were the focus for rental managers in 2020

By Linda Fox | December 22, 2020



The New York Times

### *Airbnb Fights Its 'Party House Problem'*

Noise. Damages. Safety questions. Airbnb is racing to address the risks posed by partying guests before it goes public.

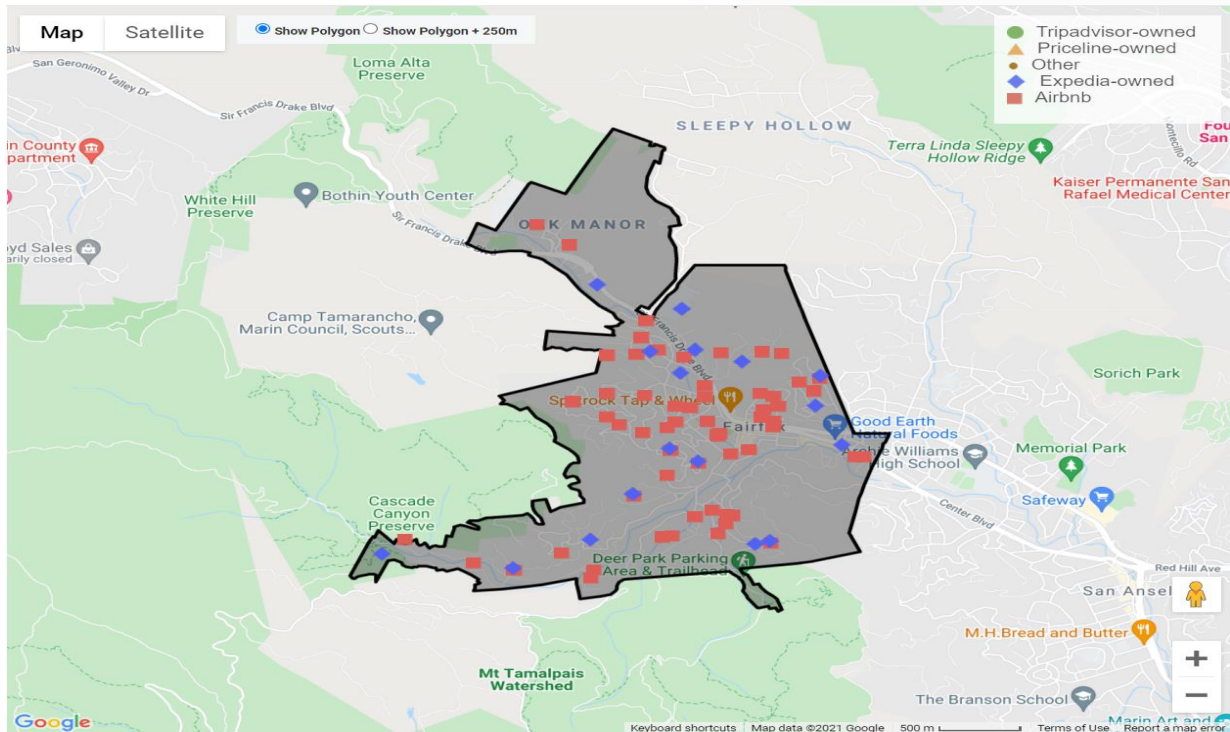
Forbes

Dec 2, 2020, 11:20am EST | 511 views

### The Growth And Challenges Of Vacation Rentals In The Age Of Covid

# ...and in Fairfax we have identified 75 unique rental units\*

Short-term rentals in Fairfax as of December 2021



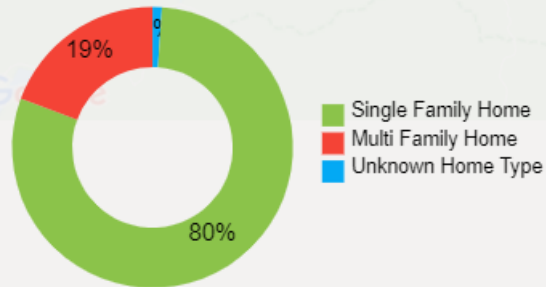
\* Granicus Host Compliance's pricing is based on the count of listings and rental units that would need to be analyzed and monitored for compliance. In terms of listings, this number is 93 as we will expand our search area by several hundred yards beyond the borders of Fairfax to capture all relevant listings. Source: Granicus Host Compliance Proprietary Data

# Fairfax STR Market Details

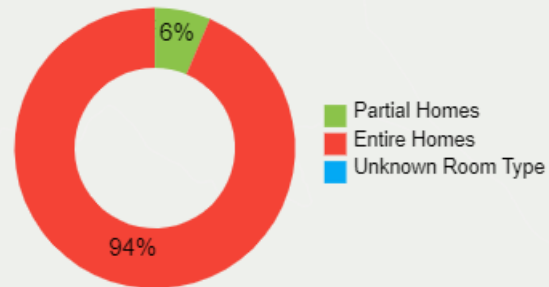
Median Nightly Rate  
(USD)

**\$150**

## Listing Types

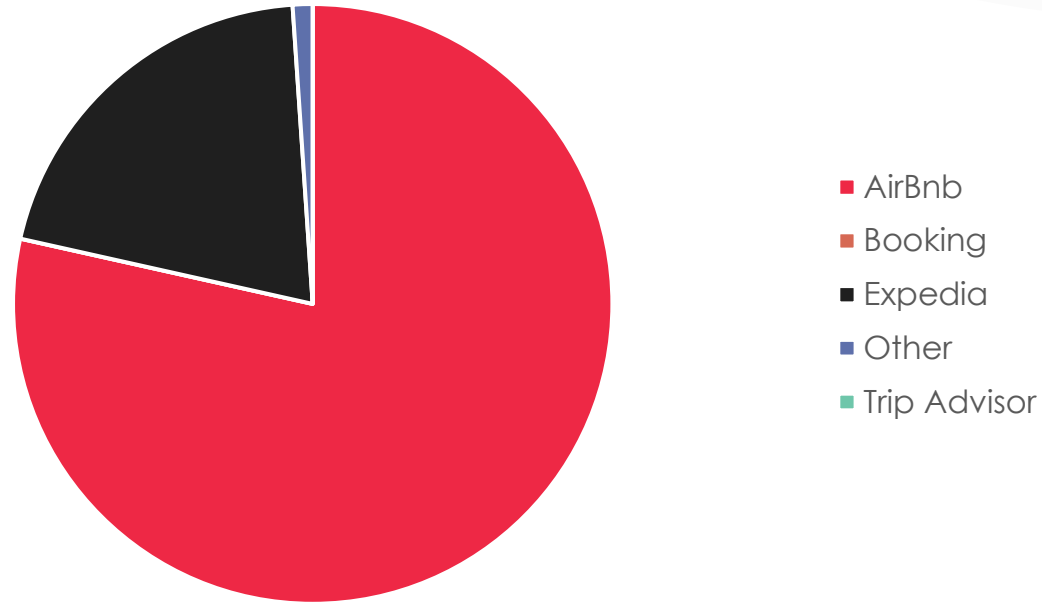


## Unit Types



**Fairfax's short-term rental listings** are spread across a number of online platforms

Platform Breakdown



**Subscriber Network**  
A network of 250M citizen subscribers



### **govAccess**

Transactional websites designed for today's citizen



### **govService**

Online citizen self-service solutions and process automation



### **govMeetings**

Meeting agendas, video, and boards management



### **govDelivery**

Targeted email, text, and social media communications



### **govRecords**

Paperless records management

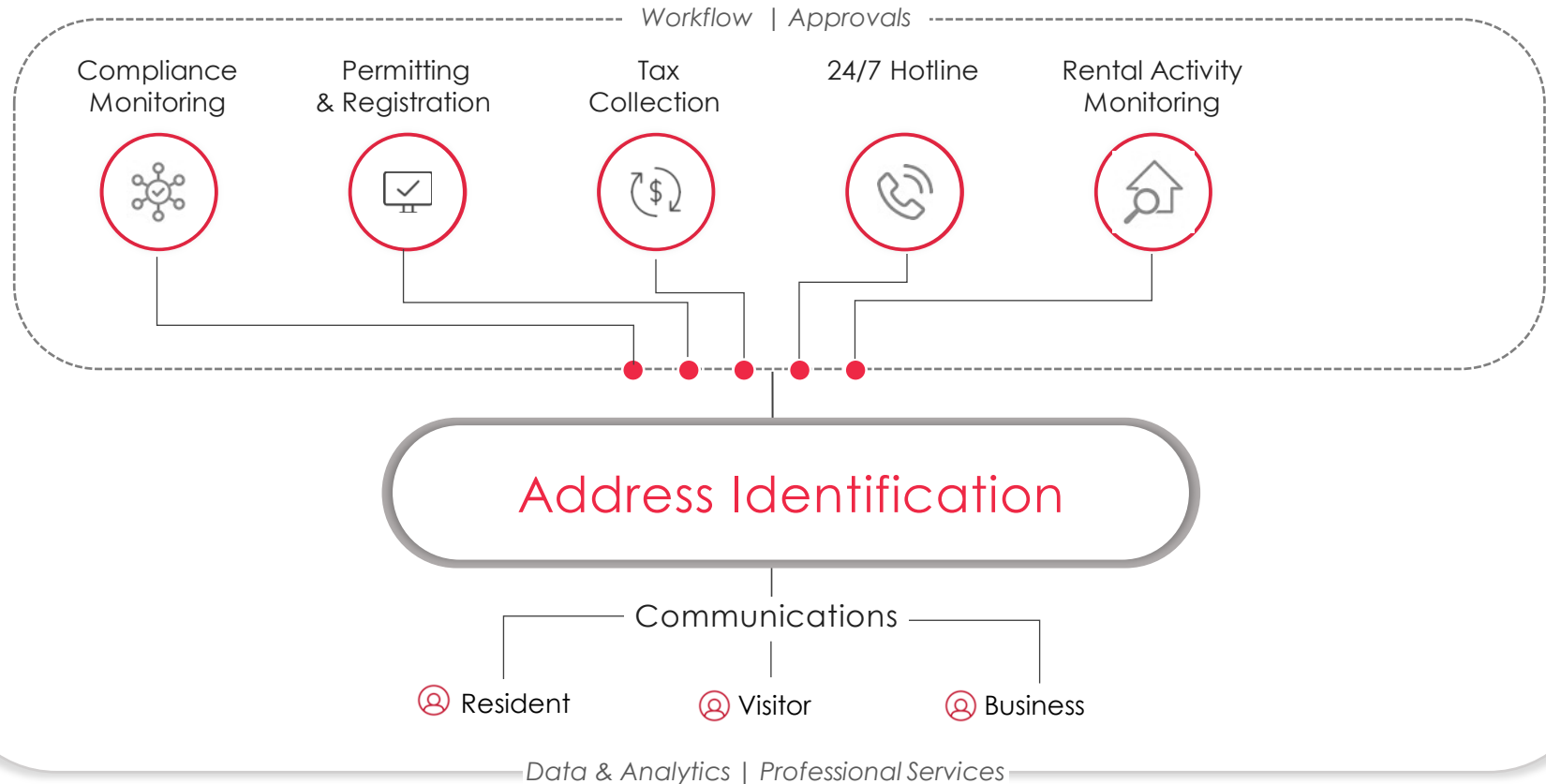


## **Granicus Experience Group**

A strategic team of experts delivering managed services



# govService **Host Compliance**



**Address Identification** technology and processes make it possible to easily monitor the STR market and find the addresses and owners of all identifiable STRs

1

## Scan

We scan the world's 60+ largest STR websites for all listings

2

## Extract

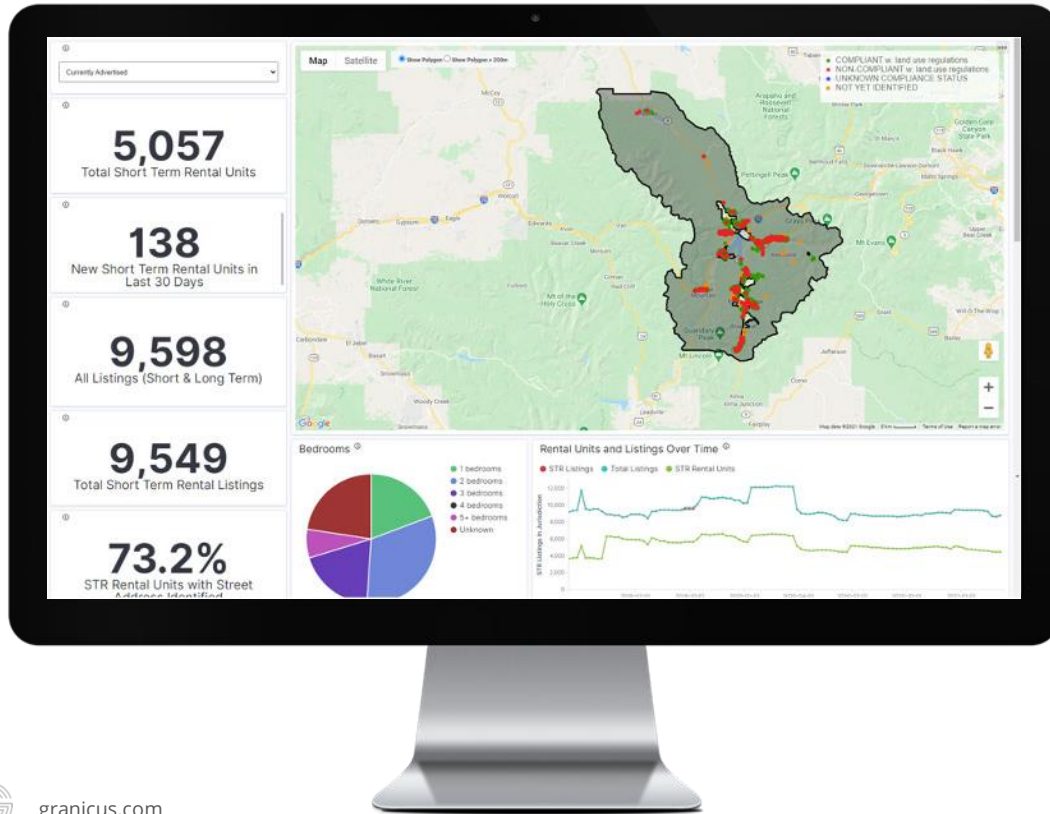
We identify each listing and extract as much information as possible to allow our AI models to narrow down the list of possible address/owner matches

3

## Combine

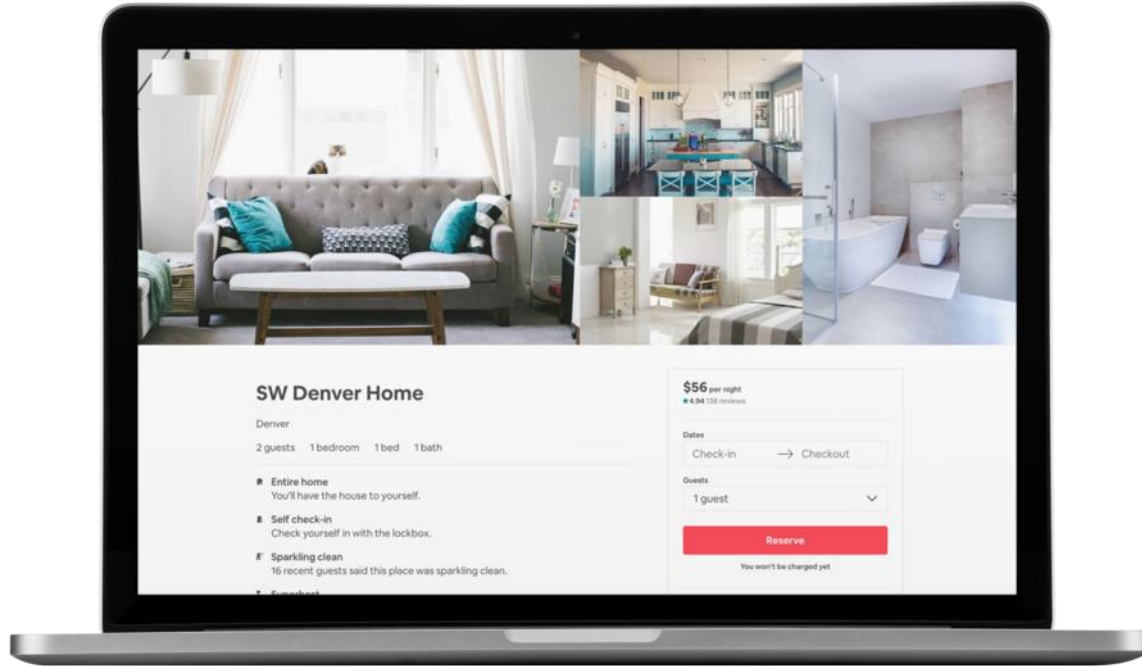
We combine AI and human analysts to identify the exact addresses and owner information for each identifiable STR

**Address Identification** monitors the STR market and finds the addresses and owners of all identifiable STRs



The data and screenshots are made available to authorized users in an easy-to-use online dashboard and records management system and easily exported in Excel/CSV format

# Use software to **automate the systematic capture of listing screenshots**



Full Screen



# Listing status, metadata and full-screen screenshots are time stamped and made available in real time on the **rental unit record**

The screenshot displays the Granicus Rental Unit Record interface, divided into three main sections:

- Listing Information:** Shows a large photo of a resort-style pool area with a wooden deck and a hot tub. Below the main photo are four smaller thumbnail images showing different interior views of the unit.
- Rental Unit Information:** Includes a Google Street View map of the property, a list of identified addresses, unit numbers, and coordinates. The address shown is 1750 Aspen Court Rd, Steamboat, CO 80486, USA.
- Listing Details:** A table of listing metadata including:
  - Listing URL: <https://www.airbnb.com/rooms/445098760>
  - Listing Status: Active
  - Host Compliance Listing ID: [REDACTED]
  - Listing Title: Copper Slopeside 2 Story Penthouse, 4 Bdrm 10 Beds
  - Property type: Condominium
  - Room type: Entire home/apt
  - Listing Info Last Captured: Mar 17, 2021
  - Screenshot Last Captured: Mar 17, 2021
  - Price: \$250/night
  - Cleaning Fee: \$150
- Information Provided on Listing:** A table of listing attributes:
  - Contact Name: Pocz
  - Latitude, Longitude: [REDACTED]
  - Minimum Stay (# of Nights): 3
  - Max Sleeping Capacity (# of People): 10
  - Max Number of People per Bedroom: 2.5
  - Number of Reviews: 7
  - Last Documented Stay: 03/2021
- Timeline of Activity:** A vertical list of events with icons and dates:
  - 1 Documented Stay: March, 2021
  - 3 Documented Stays: February, 2021
  - Listing air45098760 Reposted: February 15th, 2021
  - Listing [REDACTED] Removed: February 13th, 2021
  - 2 Documented Stays: January, 2021
  - Listing [REDACTED] Reposted: January 6th, 2021
  - Listing air45098760 Removed: January 3rd, 2021
  - 1 Documented Stay: December, 2020
  - Listing air45098760 Identified: September 26th, 2020
  - Listing [REDACTED] First Crawled: August 27th, 2020
  - Listing [REDACTED] First Activity: August 27th, 2020
- Listing Screenshot History:** A bar chart showing the number of screenshots taken per month:
  - January: 4
  - February: 6
  - March: 5

# Provide documented evidence of every address match to support all of Fairfax's enforcement efforts

Example of Searchable Evidence

**Matched Details**

Analyst: [REDACTED] (IXMJ)

**Explanation**  
The exterior shown in the listing photo has all of the identical features to the one shown on the assessor website. The property is hosted by [REDACTED] and [REDACTED], which matches the two owners listed by the assessor.

**Listing Photos**      **Matching 3rd Party Sources**

Same exterior.

[REDACTED] and [REDACTED] mentioned as hosts, they are owners of property.

Example of Legal Declaration

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CITY OF IMPERIAL BEACH-ADMINISTRATIVE CITATION APPEAL

In the Appeal Of Citation Number [REDACTED]      Code Enforcement Case [REDACTED]

[REDACTED]      **DECLARATION OF ULRIK BINZER**  
[IMAGED FILE]

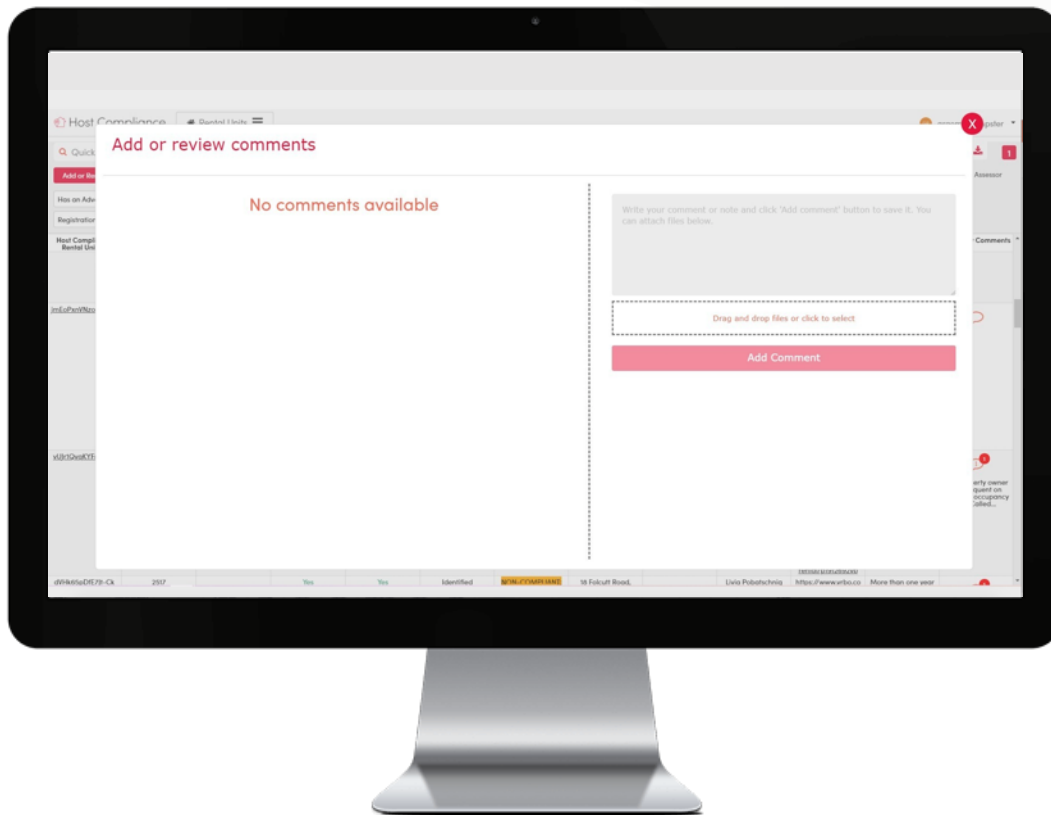
Appellant,      Hearing Officer: [REDACTED]  
vs.      Hearing Date: May 30, 2018  
CITY OF IMPERIAL BEACH,      Hearing Time: 10:00 a.m.  
Respondent.      Hearing Location: Mayor's Office  
325 Imperial Beach Blvd.  
Imperial Beach, CA 91932

I, Ulrik Binzer, declare as follows:

1. I am the Chief Executive Officer of Host Compliance, LLC. I have personal knowledge of all the matters stated herein and, if called as a witness, I could competently testify thereto.
2. Host Compliance, LLC ("Host Compliance") is a California Limited Liability Company that was formed on October 15, 2015 with its principal place of business located at 735 Market Street, Floor 4, San Francisco, CA 94920. I have worked for Host Compliance since its inception.
3. As the, CEO, my duties at Host Compliance include managing all aspect of the Company's operations. I am also the Founder and CEO of Host Compliance. I previously served

1  
DECLARATION OF ULRIK BINZER

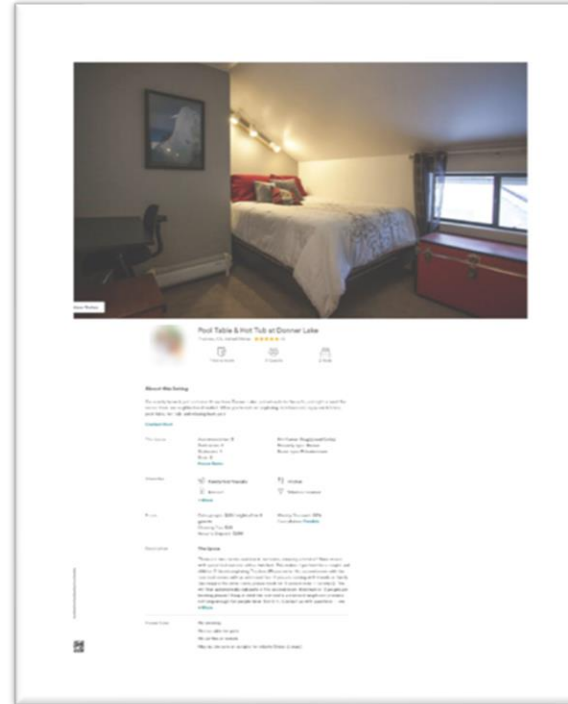
**Easily track the status** of individual rentals and create case notes on the unit's record





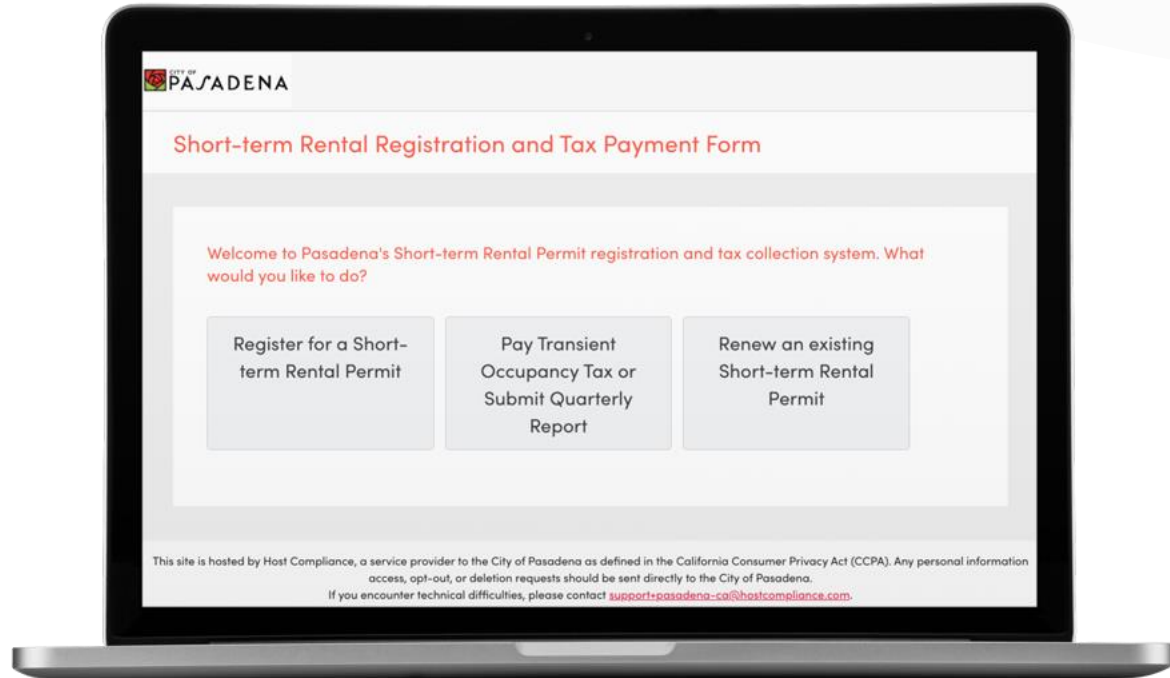


# Increase your outreach effectiveness and efficiency by automatically adding evidence to communications



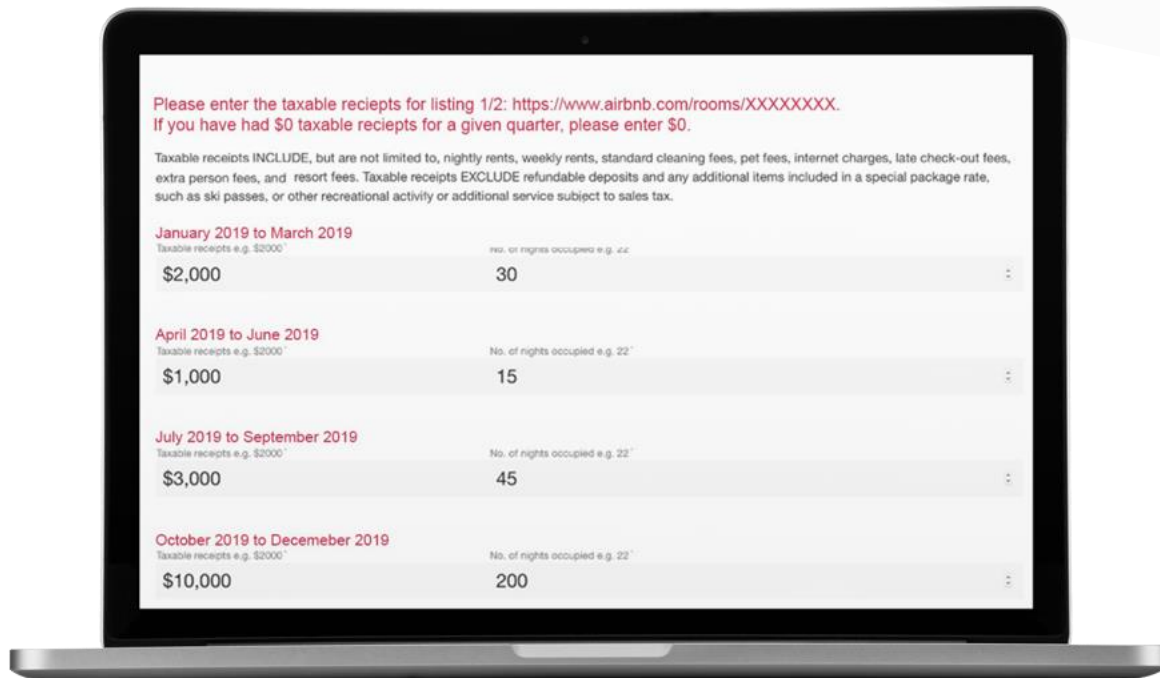
# Mobile Permitting & Registration

Simplify Fairfax's permitting and registration processes and significantly reduce the administrative costs on the back-end



# Tax Collection

Simplify Fairfax's tax collection process and significantly reduce the administrative costs on the back-end



Please enter the taxable receipts for listing 1/2: <https://www.airbnb.com/rooms/XXXXXXXX>.  
If you have had \$0 taxable receipts for a given quarter, please enter \$0.

Taxable receipts INCLUDE, but are not limited to, nightly rents, weekly rents, standard cleaning fees, pet fees, internet charges, late check-out fees, extra person fees, and resort fees. Taxable receipts EXCLUDE refundable deposits and any additional items included in a special package rate, such as ski passes, or other recreational activity or additional service subject to sales tax.

<b>January 2019 to March 2019</b>	
Taxable receipts e.g. \$2000*	No. of nights occupied e.g. 22
\$2,000	30
<b>April 2019 to June 2019</b>	
Taxable receipts e.g. \$2000*	No. of nights occupied e.g. 22*
\$1,000	15
<b>July 2019 to September 2019</b>	
Taxable receipts e.g. \$2000*	No. of nights occupied e.g. 22*
\$3,000	45
<b>October 2019 to Decemeber 2019</b>	
Taxable receipts e.g. \$2000*	No. of nights occupied e.g. 22*
\$10,000	200

# 24/7 Hotline makes it easy for neighbors to report, substantiate and resolve non-emergency STR incidents in real-time

1

## Report

Concerned neighbor calls 24/7 short-term rental hotline or reports incident online

2

## Proof

Complainant provides info on alleged incident and is asked to submit photos, videos or other proof of the alleged violation

3

## Resolution

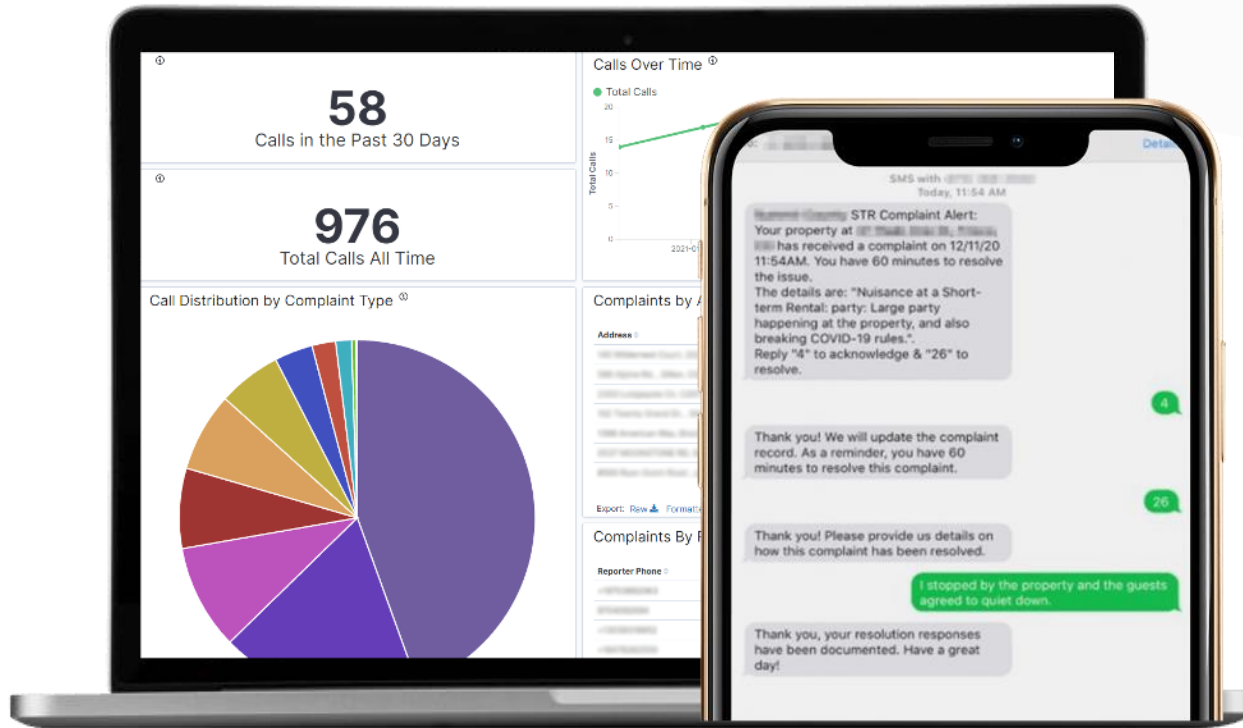
If property is registered, Granicus Host Compliance immediately calls and texts host/emergency contact to seek acknowledgement & resolution

4

## Complete

Problem solved – complaints & resolution notes saved in database so serial offenders can be held accountable

# Get detailed reports and dashboards to track all short-term rental related complaints in real-time



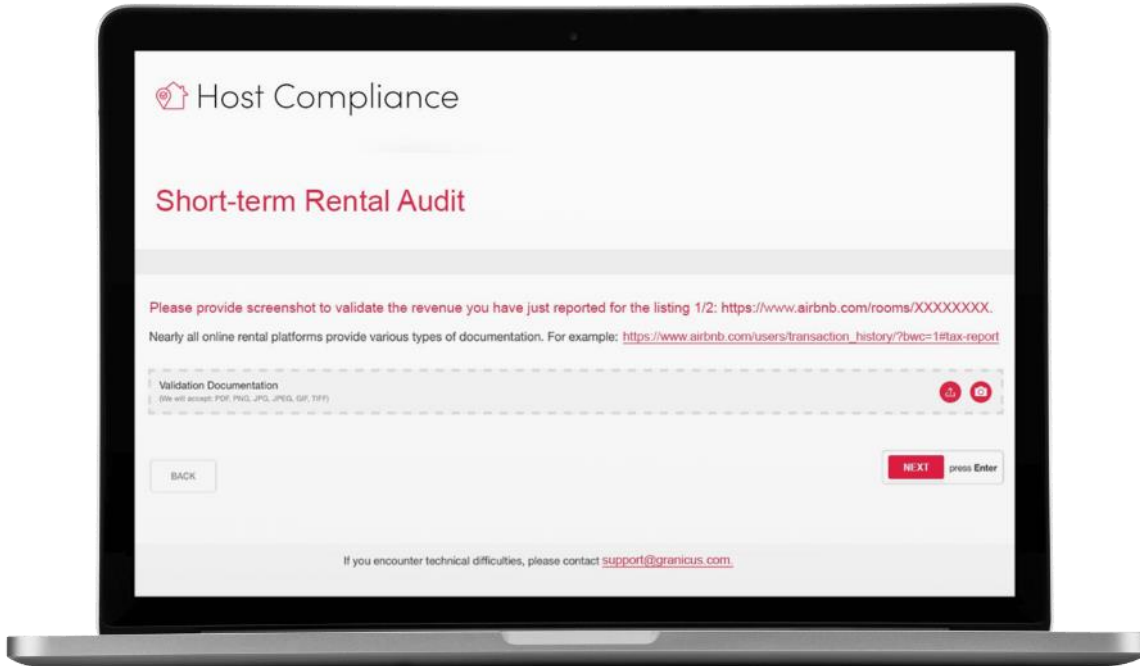
**Rental Activity Monitoring** automates the selection of audit candidates to maximize the impact of audit efforts

The screenshot shows the 'Host Compliance' software interface. The main table is titled 'Revenue Estimate by Rental Unit since January 01, 2020'. A magnified circular view highlights the following data points from the table:

Reported Revenue (USD)	Reported Revenue less than Documented Revenue
\$23,400.00	Yes
\$16,400.00	Yes
\$6,010.00	Yes
\$6,000.00	Yes
\$500.00	Yes

Identifying tax fraud and occupancy/rental frequency violations by STR listings for signs of rental activity

# Streamline the audit process by **requesting all backup information through simple, interactive online forms**



Hosts can easily **upload** STR revenue statements to verify rental activity

# Garden Grove, California

Goal: Obtain evidence to cite illegal short-term rentals



229

Listings identified



4X

Efficiency



80

Citations



"Host Compliance really helps out with analysis. We're able to save a lot of Code Enforcement time and resources so we can address other issues in the community.

- Pete Roque, Code Enforcement Supervisor

HOST COMPLIANCE





# Why Government Leaders Choose Granicus

Trusted by thousands of government agencies at all levels



## Secure

### Security-First

*FedRAMP authorized; Tier III, DOD-approved data centers; Private vs. Public cloud.*



## Simplified

### One Platform

*Streamline digital services by consolidating to a single platform vs. multiple vendors and applications.*



## Supported

### 1 Team, 24/7

*Around-the-clock support and training for your entire team; three types of support available – technical, success, adoption.*



## Innovation Leader

### First-to-Market Technology

*\$20M Invested Annually in R&D, Foremost innovator of government SaaS technology, with 5 first-to-market solutions.*



# In California we are currently partnering with 103 local agencies to address their STR related challenges

- Nevada County CA
- Chula Vista, CA
- Indian Wells, CA
- Albany, CA
- Daly City CA
- Citrus Heights CA
- Redwood City, CA
- Coronado CA
- El Paso de Robles CA
- Marina CA
- Long Beach CA
- Marin County CA
- Milpitas CA
- Roseville CA
- Union City CA

- Fullerton, CA
- Benicia CA
- Riverside CA
- Sacramento, CA
- San Mateo County CA
- El Dorado County CA
- Berkeley CA
- Mariposa County CA
- Santa Cruz County CA
- Lake County CA
- Alpine County CA
- Calaveras County CA
- Del Norte County CA
- Inyo County CA
- Irvine, CA

- Petaluma, CA
- Napa, CA
- Mono County CA
- Buena Park, CA
- Newark, CA
- Garden Grove, CA
- Sunnyvale, CA
- Butte County, CA
- Palm Desert, CA
- San Rafael, CA

# govService **Host Compliance**



Address Identification

Automated monitoring of 60+ STR websites and online dashboard with complete address information and screenshots of all identifiable short-term rentals.



Compliance Monitoring

Ongoing monitoring of STRs for zoning and permit compliance coupled with systematic outreach to illegal short-term rental operators.



Permitting & Registration

Online forms and back-end systems to streamline the registration process and capture required documentation, signatures and payments electronically.



Tax Collection

Make tax reporting and collection easy for hosts and staff to submit and review online.



24/7 Hotline

Make it easy for neighbors to report, prove, and resolve non-emergency short-term rental related problems in real-time, any day, at any hour.



Rental Activity Monitoring

Estimate occupancy or rental revenue for each property and identify audit candidates who are under-reporting on taxes or exceeding occupancy regulations.

# STR Platforms have fundamentally different goals from governments

## STR Platform Goals

### Maximize Revenue:

- Maximize total # of listings:
  - Minimize regulatory restrictions
  - Minimize safety requirements
  - Minimize taxes to reduce friction
  - Minimize red tape
- Maximize # of listings in desirable neighborhoods
- Maximize revenue per listings by professionalizing the host community:
  - Maximize # of nights listing is available for rent
  - Maximize nightly rates to maximize commissions

### Maximize Quality of Guest Experience:

- Maximize # of professional hosts
- Maximize # of entire home listings

### Minimize the cost and complexity of doing business across thousands of jurisdictions

## Local Government Goals

### Maximize Housing Affordability and Safety:

- Minimize total # of listings:
  - *Control* who can host
  - *Enact* safety requirements
  - Maximize taxes
  - Retain government jobs
- *Minimize* concentration of listings in desirable neighborhoods
- *Spread economic benefits* of the sharing economy across mom-and-pop hosts:
  - Minimize # of nights each listing is available for rent
  - Minimize nightly rates to ensure equity and affordability

### Maximize Neighbors' Quality of Life:

- Minimize # of professional hosts
- Minimize # of entire home listings

### Push the cost of enforcing regulations to those directly benefiting (hosts and platforms)



# Local governments are finding ways to **mitigate the negative impact** of STRs through thoughtful legislation

## STR Policy Objective

## Regulatory Best Practices

Housing Availability

- Only allow permanent residents to operate STRs
- Disallow rentals in subsidized housing

Neighborhood Preservation

- Set neighborhood quotas
- Ban signs

Protect Quality of Life

- Require adequate parking and garbage disposal
- Require hosts to post noise ordinance
- Require a local contact person

Economic Development

- Encourage hosting in certain areas and time frames

Safety

- Require physical safety and habitability inspections

# Why IT Leaders Choose Host Compliance

Trusted by hundreds of agencies at all levels

## What Matters

Robust & Secure Hosting

Organizational Security

Recognize Security Controls

Proactive Threat Detection

Investment in Research & Development

Secure SDLC



## What We Deliver

AWS with FISMA Moderate

Cloud Ops & Dedicated Security Team

NIST 800-53rev4

DDOS prevention and detection from Cloudflare, security operations center, centralized logging

Significant annual investment in R&D

Follow industry best practices to provide secure code starting on day one

