



Recommending Committee Minutes

1. Call to Order

Minutes:

COUNCILMAN KNUDSEN called the meeting to order at 10:02 a.m.

PRESENT: COUNCILMAN KNUDSEN, MAYOR GOODMAN (for Councilman Anthony) and COUNCILWOMAN FIORE

ALSO PRESENT: CHIEF OPERATIONS AND DEVELOPMENT OFFICER TOM PERRIGO, CHIEF DEPUTY CITY ATTORNEY VAL STEED, SENIOR DEPUTY CITY CLERK JACQUIE MILLER and DEPUTY CITY CLERK GABRIELA PORTILLO-BRENNER

2. Announcement Regarding: Compliance with Open Meeting Law

Minutes:

ANNOUNCEMENT MADE: This meeting has been properly noticed and posted at the following locations in accordance with the noticing standards as outlined in NRS 241.020: City Hall, 495 South Main Street, 1st Floor; The City of Las Vegas website – www.lasvegasnevada.gov; and The Nevada Public Notice website – notice.nv.gov.

3. Bill No. 2022-16 - For possible action - Amends various sections of LVMC Chapter 6.75, pertaining to short-term residential rentals, to conform to and incorporate various recently-adopted provisions of State law, and amends other provisions of LVMC Titles 4, 6 and 19 to make corresponding changes. Proposed by: Seth T. Floyd, Director of Community Development

Minutes:

COUNCILMAN KNUDSEN declared the Public Hearing open.

SETH FLOYD, Community Development Director, commented that at the last legislative session, Assembly Bill 363 (AB363) was passed requiring all jurisdictions in Southern Nevada to adopt an ordinance enacting certain rules with respect to short-term rental (STR) properties. However, the City of Las Vegas had already adopted many of those regulations, because it has been regulating STRs since about 2010. The current ordinance, adopted in 2018, requires STRs to be owner occupied; therefore, the owner must be staying in the home while renting it. Currently, the City has approximately 138 active licenses issued prior to 2018, and approximately 50 active licenses issued since 2018.

Since AB363 was approved, numerous workshop meetings have been held with various neighborhood associations and stakeholders, as well as with Airbnb and Expedia representatives to go over the changes imposed by the State of Nevada.

MR. FLOYD explained this matter essentially involves a clean-up bill, and he reviewed the changes included in the Proposed First Amendment, a copy of which was submitted for the record, in accordance with the legislative mandate: prohibits STRs in apartment buildings, established occupancy limits and minimum rental periods,

defines a party, set a cap for the number of licenses issued to a single person, requires a 2,500-foot distance separation from non-restricted gaming properties, provides a new schedule for civil fines of \$1,000 in civil penalties for non-licensed STRs, defines accommodations facilitators and provides a mechanism for licensing them, provides new rules for collecting data to remit for room tax, maintains the City's pre-existing 660-foot distance separation between owner occupied STRs, clarifies the definition of owner occupied and defines the meaning of fractional ownership.

Through discussions with Airbnb and Expedia, staff included flexibility in order to be able to work with such agencies on collecting and remitting room tax. Additionally, pre-verification of STR licenses will not be required and the onerous will be placed on the facilitator. Should staff find an unlicensed rental through one of the facilitators, they will have five days to remove the listing, and this is something adopted by Clark County as well. Moreover, the license fee for facilitators was reduced from \$10,000 to \$3,000, given there are smaller facilitators that offer STRs.

DARCY ADELBAI-HURD, Business Licensing Manager, added that the bill draft provides clarity on the minimum requirements for obtaining room taxes, for which staff will need to report the gross revenue, the license number and any tax collection. Some of the facilitators indicated they have data portals, to which they will provide access for staff to obtain the information needed.

COUNCILWOMAN FIORE asked about the missing education component, which she and former COUNCILWOMAN TARKANIAN pressed for. MR. FLOYD said that because the facilitators are being licensed, the City will have increased regulatory authority over them, and there will be regular communication. This will make it easier to regulate STRs. The Councilwoman asked if the City will be required to submit taxes within 30 days, and MS. ADELBAI-HURD confirmed there is still a 30-day requirement for all jurisdictions.

MAYOR GOODMAN asked how LLCs (limited liability companies) will be handled, because they have been known to serve as shells. MS. ADELBAI-HURD replied that all STRs have to be owner occupied. If any are owned through an LLC, staff will review the property records and match up the owner before issuing a license. Any advertised rental has to indicate that it is owner occupied. The Mayor asked if renters will be able to report issues, and MR. FLOYD said that for the owner-occupied properties, the owner has to be on site, and for pre-existing licenses, a contact person has to be available 24/7 to respond to complaints.

COUNCILMAN KNUDSEN questioned the process for validating the information collected to ensure the agencies are submitting all the necessary information for tax collection. MS. ADELBAI-HURD explained that accommodation facilitators will be asked to provide monthly and quarterly reports of their remittances, and the auditing team can request information at any time. MR. FLOYD interjected that being able to verify the room tax information is the reason more flexibility was included in this bill. Staff will also be able to check host data.

COUNCILMAN KNUDSEN asked how much the additional resources needed are being funded by the City. MS. ADELBAI-HURD replied that the IT (Information Technologies) Department is working on updating software for the collection of room tax, and an audit team is facilitating the audit process. She noted the funding is coming from the budget submitted for the current budget cycle, causing other projects to be set aside due to the mandate. MR. FLOYD commented that the Business License Division is funded from the General Fund. As far as resources devoted is concerned, the initial process will be handled by the business licensing team, and Business License has three dedicated auditors. Because of the owner-occupied aspect, MR. FLOYD did not foresee a rush of new applications, but the heaviest workload will be on the auditors, to ensure the correct amount is being collected.

COUNCILMAN KNUDSEN inquired as to the impact on Code Enforcement Officers, and MR. FLOYD replied there is one Code Enforcement Officer devoted to STRs, and the property management service YourHost is used to obtain data on listings for all hosting platforms. The data can be used to verify licensing in addition to complaints from residents.

Given that adjustments are being made to meet the State mandate, COUNCILMAN KNUDSEN asked how the measures that are and are not working could be communicated back to legislators. MR. FLOYD said he was not familiar with a process, but the City has been in regular contact with the sponsor of the legislation. He suspects that jurisdictions will voice any concerns and ask for necessary changes. Fortunately, since the City already had a framework for STRs, it is merely making some adjustments.

LEX ANDERSON, historian for NARA (Northwest Area Residents Association), read his comments, a copy of which was submitted for the record, regarding the common interest of HOAs (homeowner associations) and rural neighborhood preservation communities to preserve communities. He asked that COUNCILMAN CREAR, who has a lot of experience with rural preservation, advocate for HOAs and preservation communities to be allowed to oversee licensure of STRs. Additionally, he said HOAs and rural preservation communities have common interests and are very active.

REVEREND PAUL HANSEN appeared on behalf of Nevadans for Common Good and supported the proposed changes, given that their research shows that STRs are a major contributor to the lack of affordable home ownership and housing rentals. They believe this provision will be most powerful against illegal STRs, and the owner-occupied component will ensure that homes are available to long-term residents. For the health of the local economy and community, retaining existing housing stock for residents should remain a priority. He said his organization is committed to helping the City in this matter.

RAE LATHROP appeared representing the Downtown Neighborhood Coalition, which consists of the neighborhoods of John S. Park, Beverly Green, Huntridge, Hillside Heights, Francisco Park and Crestwood. These neighborhoods are facing similar challenges, especially regarding illegal STRs. The Coalition's members also work with Nevadans for Common Good to improve communities. For a few years, the Coalition has been at the center of the STR issues, and sounded the alarm as they started spreading in the neighborhoods and decreased the supply of available long-term housing rentals and homes for sale. They have been involved at the local and State levels regarding regulations for STRs, and they support this bill. They will continue to fight against overriding any protections for neighborhoods, especially those in the downtown area and in non-HOA communities. They are glad AB363 allows local jurisdictions to regulate online platforms and maintain their ability to go beyond the law to create appropriate regulations. The Coalition believes this bill amendment includes the most powerful tools to limit non-compliant homeowners. She urged approval for the protection of their neighborhoods.

LAURA McSWAIN, President of the McNeil Estates Neighborhood Association, said the McNeil Estates residents support the owner-occupied component, and should there be any appetite to remove it, other provisions, such as the 660-foot distance separation, would have to be reconsidered. She hopes verification of STR ownership will be easier. With limited resources to handle compliance complaints, she asked that enhancement of the compliance component be explained. She supported the pieces of the mandate that will help the City address issues encountered over the years with STRs.

JACQUELINE FLORES, Founder of the Greater Las Vegas Short-Term Rental Association, appeared on behalf of the Association and property owners. She observed that limiting rentals to owner-occupied properties will impede the City's ability to generate enough revenue to enforce the bill. She said residents are concerned about STRs being used as party houses, but the majority are owner-occupied properties and are not party houses, and they involve proprietors that are trying to generate extra revenue. She was opposed to the use of "illegals" when referring to short-term rental operators, because it is a derogatory term used to classify non-legal residents. She countered that STRs are contributing to the lack of available housing, and added that it has more to do with the economy and people selling their homes in expensive cities and buying homes for cash in more affordable cities. She noted that before, STR property owners were accused of lowering property values; now they are being accused of causing rising property values. She is opposed to requiring owner-occupied rental properties to have property managers.

TERA ANDERSON, representing the Rancho Manor Neighborhood Association, said that to be proactive, the City should reconsider how it will verify licenses of STRs and not left to the facilitators, because by the time unlicensed rentals are found, it may be too late.

COUNCILMAN KNUDSEN asked MR. FLOYD to address enhanced compliance of STRs, opportunities for additional licenses and placing the onerous on facilitators for compliance. MR. FLOYD explained that the mechanism for license compliance was chosen because the most common model found is “notice and take down,” and staff spent a significant amount of time to ensure it will be effective, although it can be reconsidered if problems are encountered. Additionally, residents are very vigilant and are diligent in reporting suspected unlicensed STR activity. Moreover, the City has several enforcement components, such as the Code Enforcement Division, the license compliance team and YourHost to help find unlicensed operators. As far as allowing more STR licenses, MR. FLOYD explained that the City limits them by the rules, such as the 660-foot distance separation, owner occupancy and home size, all of which restrict the number of licenses. He noted that in the last year, there were only 18 applications for STR licenses.

MAYOR GOODMAN insisted on a strong process to comb through LLCs, and MS. ADELBAI-HURD said that the privilege licensing officers have experience in reviewing applications and identifying ownership, and the applicants will be required to sign an affidavit.

MR. FLOYD reiterated the changes in the Proposed First Amendment.

COUNCILWOMAN FIORE asked if there have been any issues with owner-occupied STRs, and whether that has to be displayed prominently. MR. FLOYD said the information only has to be displayed. The new type of STRs have presented some issues, and that is why the City decided to tighten the regulations.

MR. FLOYD asked that the bill not be adopted as ordinance until the City Council meeting of August 17, 2022, as he will not be present at the meeting of August 3, 2022, the Council meeting at which the bill is eligible for adoption. CHIEF DEPUTY CITY ATTORNEY VAL STEED said the bill could be held in abeyance at the meeting of August 3, 2022 to the meeting of August 17, 2022.

COUNCILMAN KNUDSEN declared the Public Hearing closed.

Motion made by Michele Fiore to Approve as Do Pass as a First Amendment

Passed For: 3; Against: 0; Abstain: 0; Did Not Vote: 0; Excused: 0

For-Michele Fiore, Carolyn Goodman, Brian Knudsen;

4. Bill No. 2022-17 - For possible action - Amends LVMC 19.18.020 to expand the definition of “regional mall” for purposes of distance requirements. Sponsored by: Councilwoman Michele Fiore

Minutes:

SETH FLOYD, Community Development Director, said to his understanding, this bill was being held in abeyance, and COUNCILWOMAN FIORE asked for a 30-day abeyance.

Motion made by Michele Fiore to Hold in Abeyance to 8/15/2022

Passed For: 3; Against: 0; Abstain: 0; Did Not Vote: 0; Excused: 0

For-Michele Fiore, Carolyn Goodman, Brian Knudsen;

5. Citizens Participation: Public comment during this portion of the agenda must be limited to matters within the jurisdiction of the Committee. No subject may be acted upon by the Committee unless that subject is on the agenda and is scheduled for action. If you wish to be heard, come to the podium and give your name and correct spelling for the record. The amount of discussion on any single subject, as well as the amount of time any single speaker is allowed, may be limited.

Minutes:

None.

6. Adjournment

Minutes:

The meeting was adjourned at 10:51 a.m.

Respectfully submitted:

Gabriela Portillo-Brenner, Deputy City Clerk

THIS MEETING WAS PROPERLY NOTICED AND POSTED AT THE FOLLOWING LOCATIONS
IN ACCORDANCE WITH THE NOTICING STANDARDS AS OUTLINED IN NRS 241.020:

The City of Las Vegas website – www.lasvegasnevada.gov

The Nevada Public Notice website – notice.nv.gov

City Hall, 495 South Main Street, 1st Floor