



# City and Borough of Sitka

100 Lincoln Street • Sitka, Alaska 99835

*Coast Guard City, USA*

## **Planning and Community Development Department**

Date: July 10, 2017

From: Samantha Pierson, Planner I

To: Planning Commission

Re: Annual Reporting for Short-Term Rentals and Bed and Breakfast Operations

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Conditional use permits for short-term rentals and bed and breakfast operations require the submission of annual reports as a condition of approval. While some other conditional use permits require review with a public hearing and a vote, the rental report is purely informative and does not require Planning Commission action. The one-page report form is provided by the municipality upon each anniversary of the granting of the permit and return is requested within a month of mailing.

There is a wide range of involvement among owners of properties with short-term rentals and bed and breakfast operations. Some owners live on-site and manage all of the required cleaning and bookkeeping, some live off-site and are not involved with any of the property management, and still others fall somewhere in between the two extremes. As a result of this diversity, one size of reporting does not fit all needs.

When some owners receive the annual report form, they do not have the information to property complete it. This can lead to confusion and often requires follow-up letters to be sent. By focusing the annual reporting efforts on one specific time of year, more modes of communication can be used, resulting in greater return of reports. In addition, the new report form will require reporting on the amount of taxes remitted to the municipality.

Many owners of vacation rental properties work with outside entities to manage their properties. Currently, a property owner may receive a report request letter and then contact the property manager for information. When a business handles several rentals, these requests may be received frequently. The proposed process would involve property management businesses in each round of report requests during the January and February period. This would also eliminate the sporadic requests that such businesses receive as each annual report comes due, as data gathering will be conducted on an annual basis for all rentals.

The timing of the proposed reporting procedure falls strategically during one of the slower periods of the year for most people. The holidays are over, winter is in full swing, and there may be fewer vacation renters in units. Contrast this with the current reporting scheme wherein individual reports may come due during such busy periods as summer or the holidays.

One annual rental reporting period will also help to gather better data for analysis and Planning Commission decisions. For example, staff will be able to more accurately compile the numbers of nights rented to short-term renters through this scheme. The proposal will be more helpful to the Planning Commission, staff, and the public and will ultimately save time and money.

As a final note, the rental data will only include rentals requiring conditional use permits, and will only include those permits granted since 2010. Reporting prior to 2010 was sparse and while some pre-2010 permits continue to be utilized, the Planning Community Development Department has chosen to focus on building robust data from 2010 forward.

**Proposed timeline:**

- Early January – Send annual report forms to property owners via mail and email (when available) and to known rental agencies. Rental agencies may be provided a spreadsheet for ease of reporting.
- Mid-January – Send a reminder email to all parties.
- Early February – Send a reminder email to all parties.
- February 15 – Deadline. Compile reports.
- Third Tuesday in March – Reports submitted to Planning Commission.

**Recommended Action:** Make a motion directing staff to compile and submit to the Planning Commission all short-term rental and bed and breakfast annual reports every March.