



Host Compliance

Kingston

Bruce McCaskill
March 2021

Cost-effective solutions to Kingston's short-term rental registration, compliance monitoring, fraud, audit and enforcement challenges



March 2021

Agenda Today

1

Introductions

2

Kingston and the Market Context

3

The Granicus Host Compliance Solution

4

Discussion and Next Steps



Granicus Overview



4,500+

Government Agencies

have chosen Granicus to modernize their online services, web presence, and communications strategies.



Seamless Digital Solutions

that help government: improve the customer experience, simplify/automate workflows, and enable strategic community development



Short-Term Rental Software & Services

Compliance and Monitoring Software
Proprietary and Updated Data
Consulting and Advising Services



Subscriber Network
A network of 200M citizen subscribers



govAccess

Transactional websites designed for today's citizen



govService

Online citizen self-service solutions & operations 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

In New York we are currently partnering with 11 local agencies to address their STR related challenges

- Shelter Island, NY
- Jewett, NY
- North Elba, NY
- Fallsburg, NY
- Franklin County NY
- Fulton County NY
- Dutchess County NY
- Ulster County NY
- Seneca County NY
- Clinton, NY
- Lake George, NY

In the broader Mideast we are already serving 27 forward-thinking local government agencies

- Vernon Township, NJ
- Shelter Island, NY
- Jewett, NY
- North Elba, NY
- Fallsburg, NY
- Paradise, PA
- Jersey City NJ
- Franklin County NY
- Fulton County NY
- Bradley Beach NJ
- Asbury Park NJ
- Dutchess County NY
- Prince George's County MD
- Montgomery County, MD
- Ventnor City NJ
- Dorchester County MD
- Ulster County NY
- Seneca County NY
- Clinton, NY
- Talbot County MD
- Bucks County PA
- Lake George, NY
- Lewes, DE
- Annapolis, MD
- East Stroudsburg, PA
- Atlantic City, NJ
- Mount Joy, PA



On average our 360 clients rate Granicus Host Compliance 9.5 out of 10* and highly recommend us to other local governments



City Of
ASBURY PARK
New Jersey

“Our use of the Host Compliance product has effectively assisted our City's enforcement department in streamlining the process of identifying property owners who were not compliant with our City's regulations regarding short term rentals.”

ROOST

“It's very important we are proactive in this area. It really is not fair when some people are paying the tax and others do not. [Before Host Compliance] a critical tool was inadvertently left out of the tool-box!”

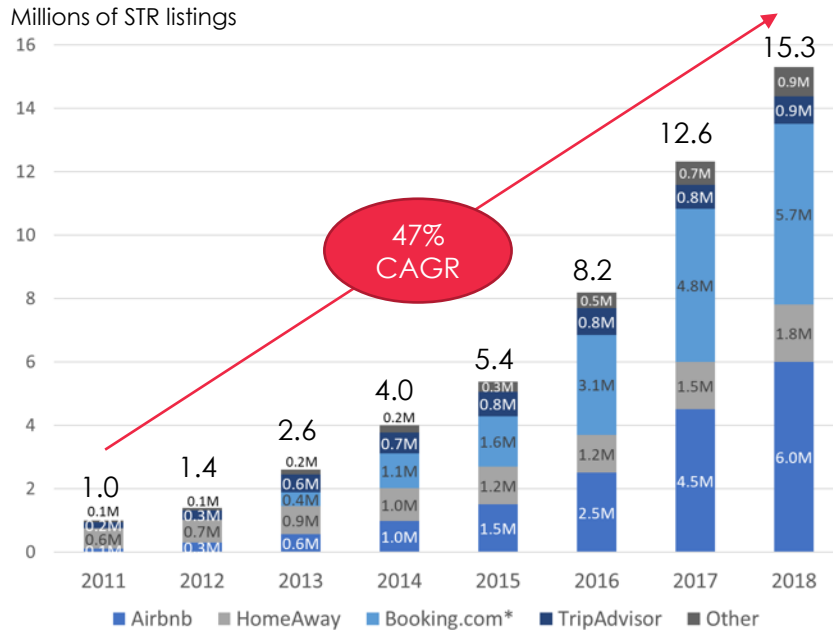


What are Kingston's most important goals as it relates to short-term rentals?

1. Reduce noise, parking, traffic and trash-problems
2. Eliminate party houses
3. Reduce STR's impact on neighborhood character
4. Ensure building safety
5. Improve City's responsiveness to neighbor complaints
6. Stem STR's negative impact on affordable housing availability
7. Improve permit and tax compliance to increase tax revenue
8. Ensure a level playing field between law abiding traditional lodging providers and illegal short-term rentals
9. Reduce tension between short-term rental property owners and their neighbors
10. Send a clear message to citizens that the City takes the STR problems seriously
11. Other?

The global short-term rental market has grown 1,530% since 2011 and continues to grow at a breakneck pace

The # of short-term rental listings has grown 15x since 2011



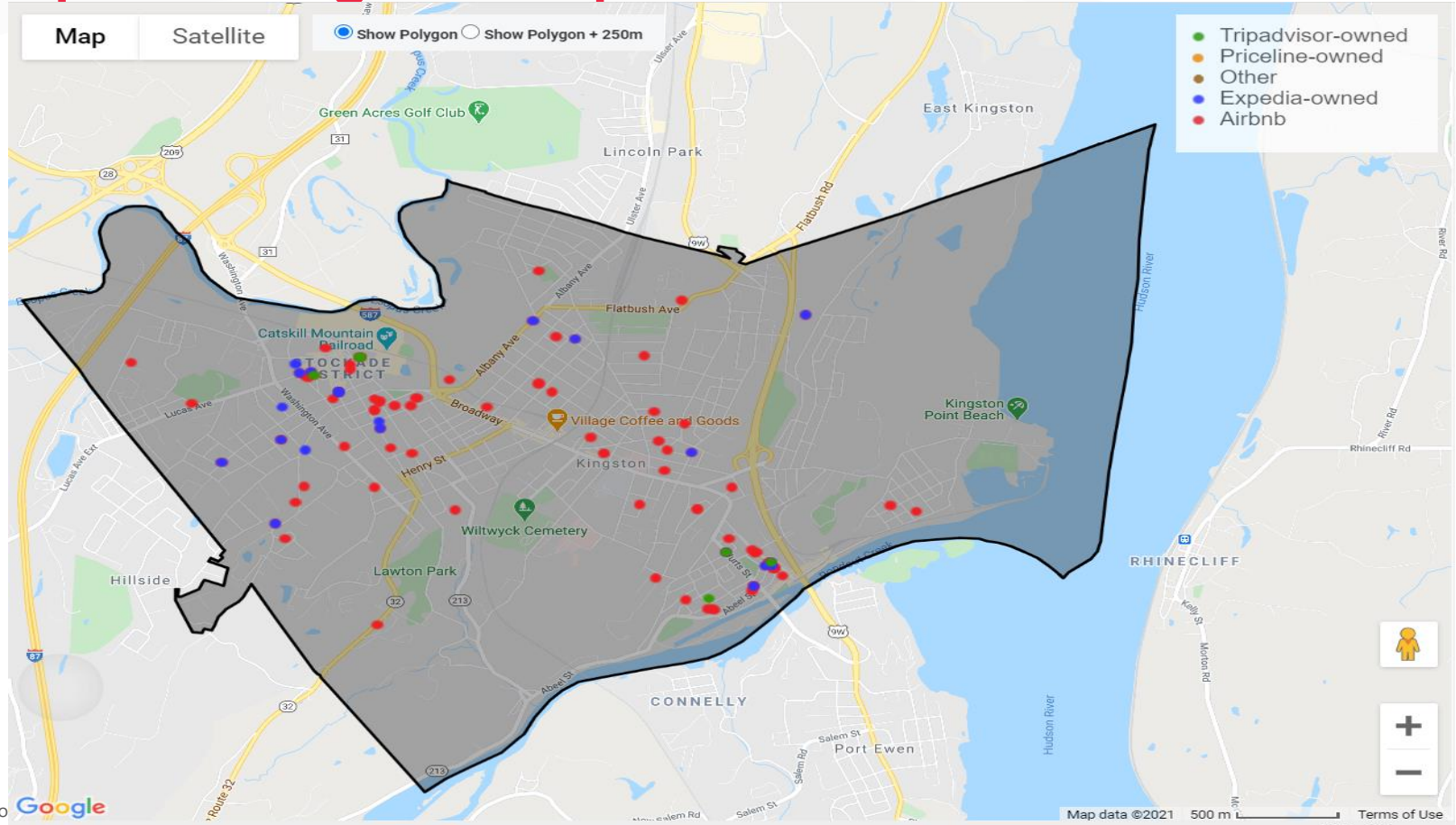
Sources: AirBnB, Expedia, TripAdvisor, Booking.com and Tripping.com

Market is fragmenting

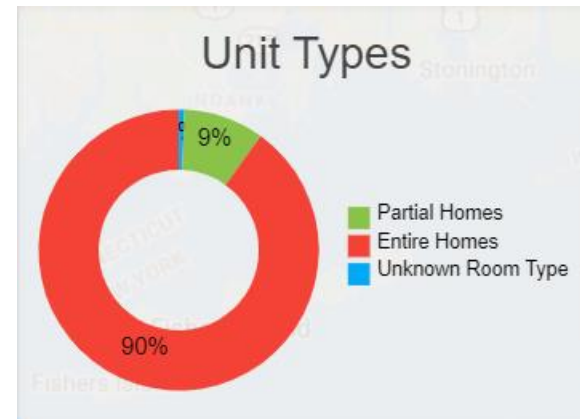
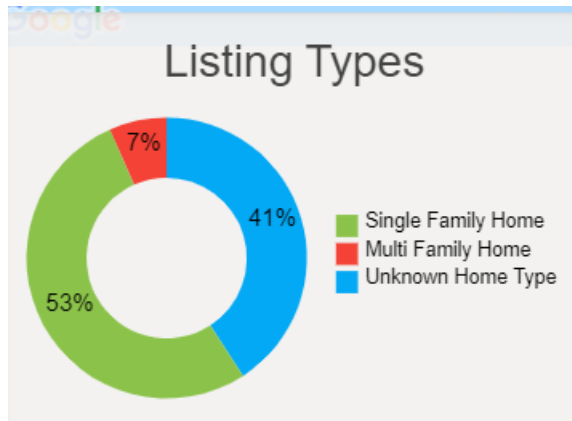


125+ other web platforms

...and in Kingston we have identified 125 listings, representing 86 unique rental units*



Kingston Data Details



Without proper enforcement, only a fraction of short-term rentals will get registered and pay their fair share of taxes

In General Less Than 10% Of STR Owners Voluntarily Get Registered And Pay All Of Their Taxes



Large potential for increasing permit/license/registration fee income and tax revenues

Manual compliance monitoring and enforcement is ineffective and expensive

- ✓ Rental property listings are spread across 100s of different websites
- ✓ Manually monitoring 100s of properties is practically impossible as listings are constantly added, changed or removed
- ✓ Address data is hidden from listings making it time-consuming or impossible to locate the exact properties and identify owners
- ✓ It is practically impossible to collect taxes as there is no easy way to find out how often the properties are rented and for how much
- ✓ The vacation rental platforms refuse to provide the detailed data necessary for enforcing local Ordinances
- ✓ Manual compliance monitoring and complaint-based enforcement often leads to claims of selective enforcement

Accelerate progress irrespective of where Kingston is in the process of adopting and implementing effective short-term rental regulations

Pre-Ordinance

- Detailed local market data
- Online Ordinance Assistant tool
- Free webinars
- Guide To Effectively Regulating Short-term Rentals On The Local Government Level
- APA Short Term Rental Online Course
- Peer Introductions
- Free draft review
- Consulting and facilitation

Post-Ordinance

- Mobile-Enabled Online Permitting / Registration
- Address Identification
- Compliance Monitoring
- Rental Activity Monitoring
- Tax Collection
- Tax Audit Automation
- 24/7 Hotline

The Granicus Host Compliance solution can address all Kingston's short-term rental related challenges



Mobile-Enabled Registration and Tax Collection:

Mobile/web forms and back-end systems for streamlining registration and tax collection processes and capturing required documentation, signatures and payments electronically



Address Identification:

Automated monitoring of 50+ STR websites and online dashboard with complete address information and screenshots of all identifiable STRs in Kingston's jurisdiction



Compliance Monitoring:

Ongoing monitoring of STRs for zoning and permit compliance coupled with systematic outreach to illegal short-term rental operators (using Kingston's form letters)



Rental Activity Monitoring and Tax Calculation Support:






Ongoing monitoring of Kingston's STR listings for signs of rental activity. Enables data-informed tax compliance monitoring and other enforcement practices that require knowledge of STR activity level



Dedicated Hotline:

24/7 staffed telephone hotline and online platform for neighbors to report non-emergency STR problems, submit evidence and initiate automatic follow-up activities

To accommodate any budget and ensure a high ROI for our clients, our services are priced based on the number of STRs that needs to be monitored

Cost per STR Listing/Rental Unit	
 Mobile-Enabled Registration/Tax Collection	TBD Per Year
 Address Identification	\$45.00 Per Year
 Compliance Monitoring	\$22.50 Per Year
 Rental Activity Monitoring	\$30.00 Per Year
 24/7 Dedicated Hotline	\$12.00 Per Year



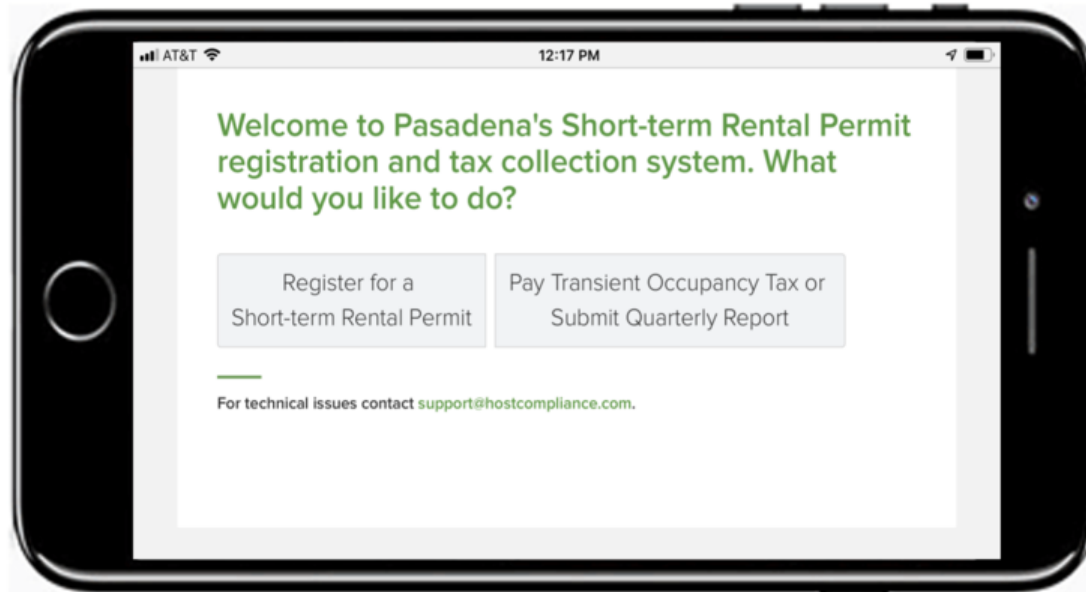
Affordable modular pricing tailored to Kingston's needs

 Mobile-Enabled Registration/Tax Collection	\$5,000 Per Year
 Address Identification	\$5,625 Per Year
 Compliance Monitoring	\$1,935 Per Year
 Rental Activity Monitoring	\$2,580 Per Year
 24/7 Dedicated Hotline	\$1,032 Per Year



Mobile-Enabled Registration/Tax Collection

Simplify Kingston's registration/permitting/tax collection process and significantly reduce the administrative costs on the back-end



Mobile-Enabled Registration/Tax Collection

Make it as easy to register, submit documentation and pay for your STR license/permit/taxes as it is to make a purchase from Amazon.com



We customize the online workflow to meet Kingston's specific Ordinance requirements



The user-experience is designed to delight citizens, reduce errors and guide applicants through the process



We let hosts pay their registration fees and taxes whichever way they prefer



We collect supporting documentation and electronic signatures to ensure compliance with all laws

Address Identification

Technology and processes make it possible to easily monitor Kingston's STR market and find the addresses and owners of all identifiable STRs

1

Scan

We scan the world's 50+ largest STR websites for all listings in Kingston

2

Extract

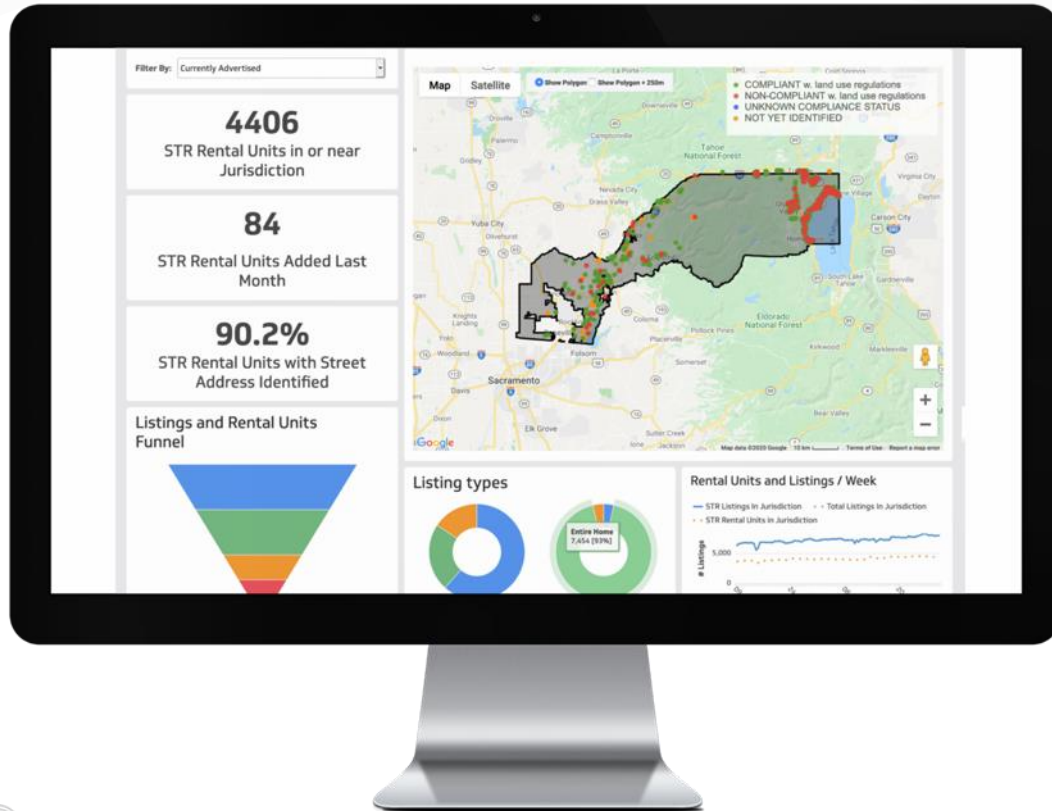
We geocode each listing and extract as much information as possible to allow our AI models to narrow down the list of possible address/owner matches

3

Combine

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

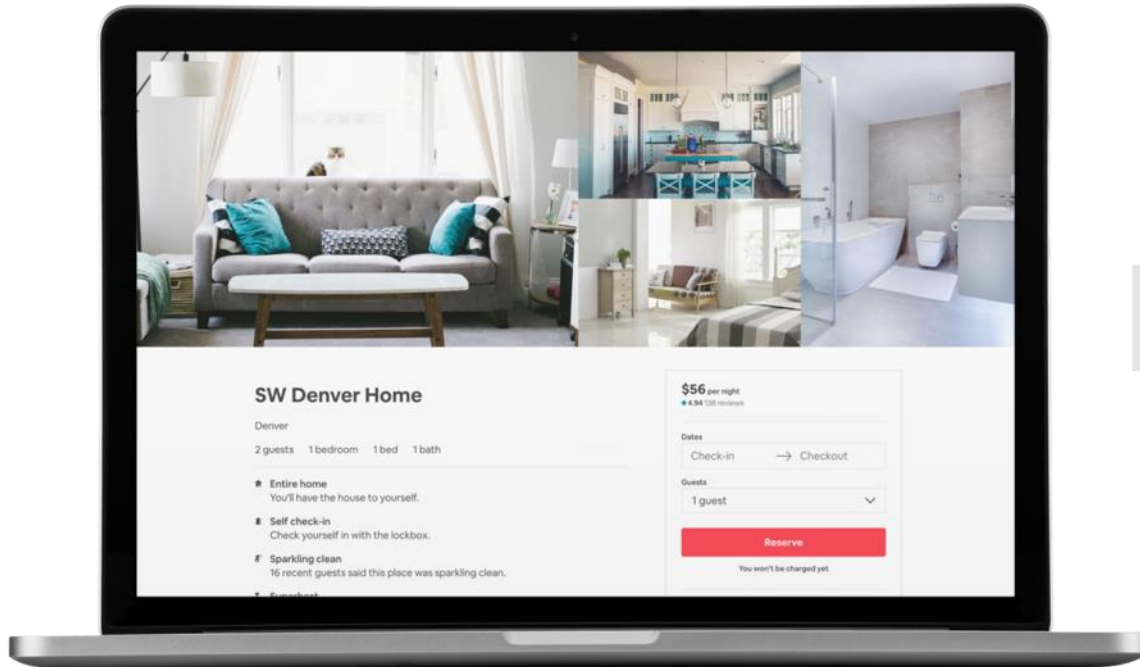
Address Identification



Granicus Host Compliance provides real-time dashboards that makes it easy for staff and elected officials to understand the current state of Kingston's short-term rental market

Address Identification

While scanning each STR platform every 3 days, Granicus Host Compliance captures listing status, metadata and full-screen screenshots which are time-stamped and made available to our clients in real time

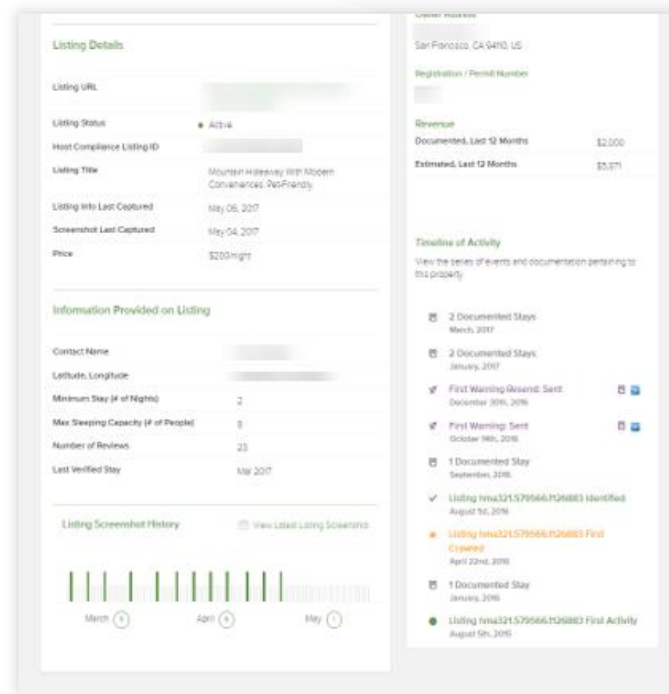
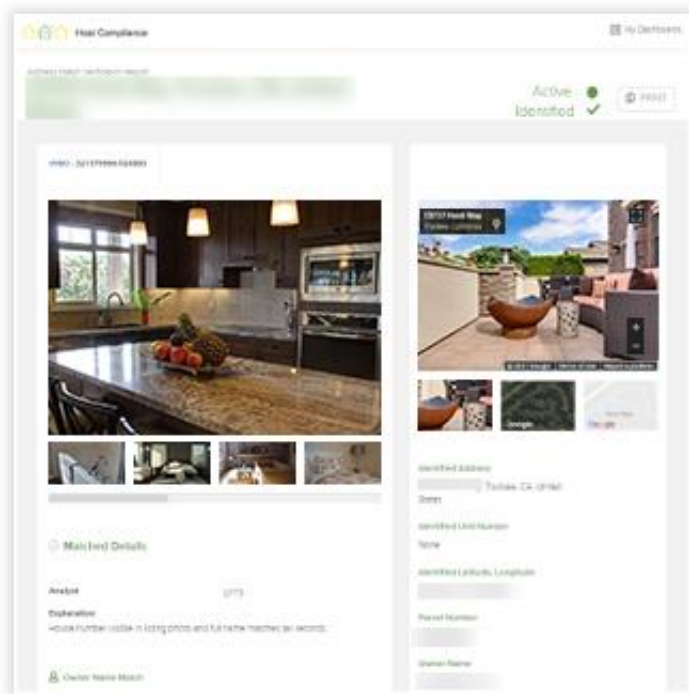


Full
screen



Address Identification

The data and screenshots we collect are made available to authorized city personnel in an easy to use online dashboard and records management system



Address Identification

Our system supports all Kingston's enforcement efforts with evidence of every address match and signed declarations, affidavits and expert testimony whenever needed

Example of Searchable Evidence

Matched Details

Analyst 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

4
5
6
7
8 CITY OF IMPERIAL BEACH-ADMINISTRATIVE CITATION APPEAL
9
10 In the Appeal Of Citation Number [REDACTED] **Code Enforcement Case** [REDACTED]
11 **DECLARATION OF ULRİK BINZER**
12 **[IMAGED FILE]**
13 Appellant, Hearing Officer: [REDACTED]
14 vs. Hearing Date: May 30, 2018
15 CITY OF IMPERIAL BEACH, Hearing Time: 10:00 a.m.
16 Respondent. Hearing Location Mayor's Office
17 825 Imperial Beach Blvd.
18 Imperial Beach, CA 91932
19
20 I, Ulrik Binzer, declare as follows:
21 1. I am the Chief Executive Officer of Host Compliance, LLC. I have personal
22 knowledge of all the matters stated herein and, if called as a witness, I could competently testify
23 thereto.
24 2. Host Compliance, LLC ("Host Compliance") is a California Limited Liability
25 Company that was formed on October 15, 2015 with its principal place of business located at 735
26 Market Street, Floor 4, San Francisco, CA 94920. I have worked for Host Compliance since its
27 inception.
28 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
I
DECLARATION OF ULRİK BINZER

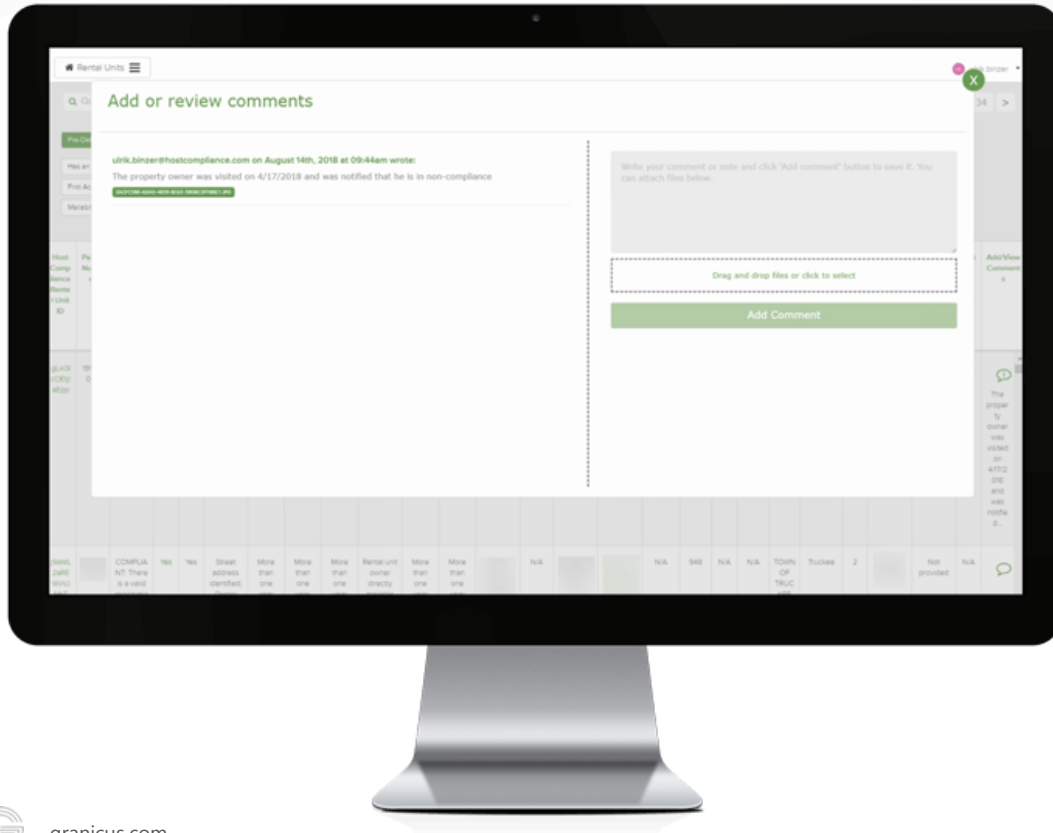


Address Identification

Host Compliance Rental Unit ID	Parcel Number	Land Use Compliance Status	Has an Address Listed?	Identification Status	First Activity	First Identified	Last Posted/Reappointed	Mobility Status	First Mailing Date	Last Mailing Date	Address	Identify of Unit Number	Owner Name	Listings	Last Documented Story	Register Number or	Most Likely Jurisdiction	Maximum Seating Capacity	Number of Conspicuous	Add/View Comments
21M9A1 bd5uAA 58jU		NON-COMPLIANT: Assessor record identified and we don't find a registration	Yes	Street address identified; Owner identified	More than one year ago	Last 35-60 days	More than one year ago	Rental unit owner directly marketable	N/A	N/A	Hayward, WI 54843, USA	N/A			N/A	N/A	Round Lake town	6	0	
01M9A1 PEGGH c3W		COMPLIANT: There is a valid registration	Yes	Street address identified; Owner identified	Last 35-365 days	Last 35-60 days	Last 35-365 days	Rental unit owner directly marketable	N/A	N/A	Hayward, WI 54843, USA	N/A			N/A		Round Lake town	7	0	
vd2Gq MBfmg pMD		COMPLIANT: There is a valid registration	Yes	Street address identified; Owner identified	Last 61-120 days	Last 35-60 days	Last 61-120 days	Rental unit owner directly marketable	N/A	N/A	Hayward, WI 54843, USA	N/A			N/A		Round Lake town	10	0	

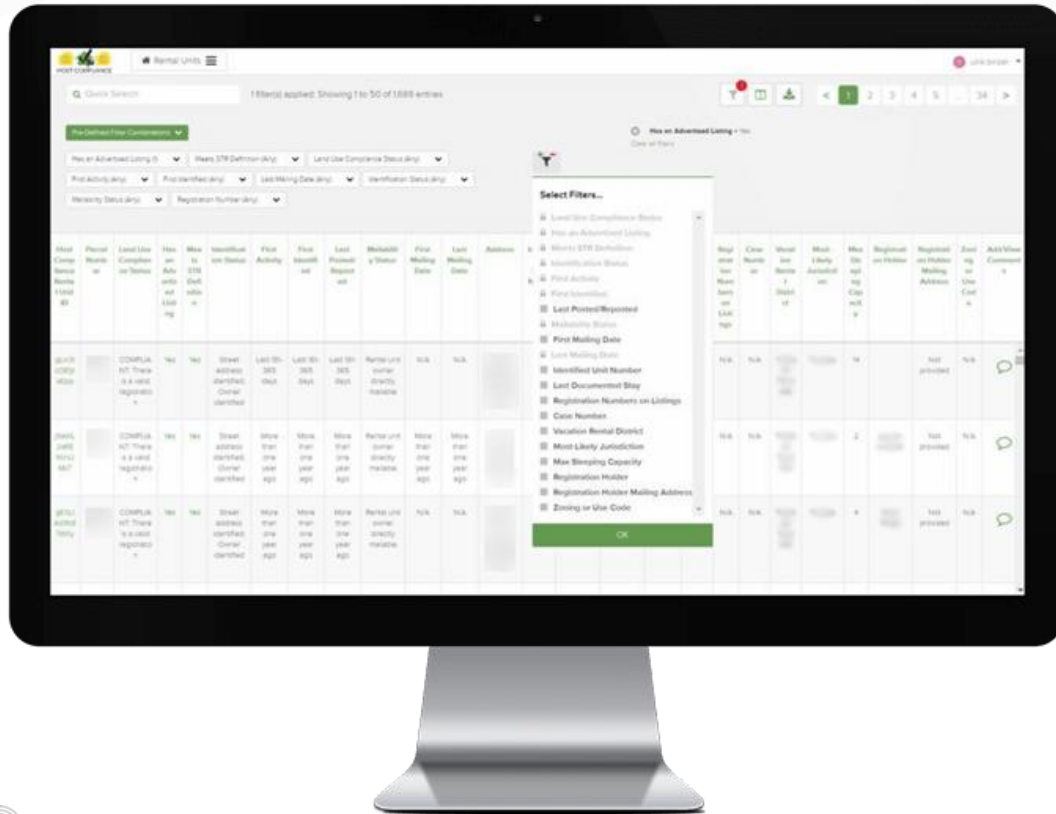
All data is made available in detailed data reports that can be customized to Kingston's exact needs and easily downloaded into Excel/CSV format

Address Identification



Granicus Host Compliance makes it easy to track the status of individual rentals and create case notes as needed

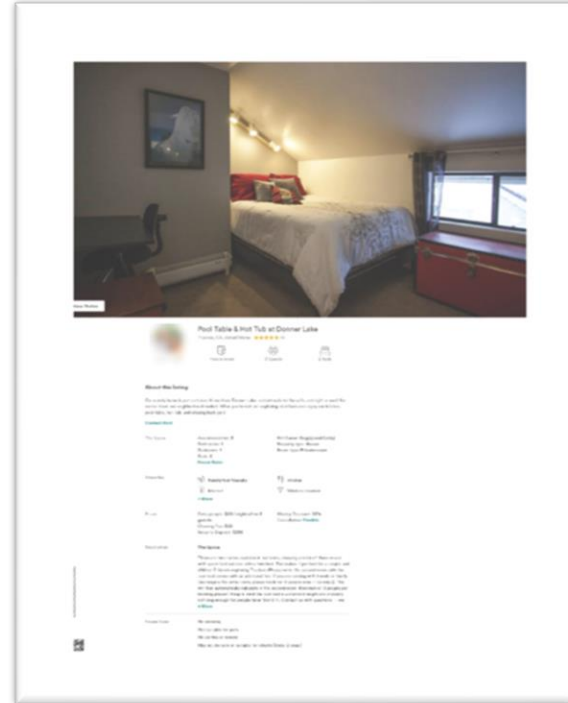
Address Identification



All our data can be easily filtered, sorted and grouped in real-time

Compliance Monitoring

Put Kingston's compliance monitoring and outreach efforts on auto-pilot by automating the mailing of notices to non-compliant short-term rental operators



Compliance Monitoring

Automate the entire mailing and follow-up process and track the status and outcome of each letter in real-time

Permit Compliance Mailing Sequence



HOBT COMPLIANCE

Letters

customer.success+nashville-tn

Quick Search

Showing 1 to 50 of 7,674 entries

No filters have been applied.

Letter ID	Letter	Mailing Date	Recipient Status	USPS Delivery Status	Parcel Number	Unit Number	Recipient Name	Recipient Address	Property Address	Has an Advertised Listing	Meets STR Definition	Land Use Compliance Status	Estimated Tax Base	Returned	Letter was sent to correct recipient	Property is now in compliance	Rental Unit Record(s)	Registration Type	Report Issue	Add/View Comments
58691	First Warning - No STR or Tax	2019-08-04	Delivered	Delivered	15007001100	N/A				No	Yes	COMPLIANT - No longer advertised	estimated_revenue_upper_bound	No	Yes	Yes	Rental Unit Record	N/A	Report Issue	Tim, Below is basically the process you'll need to follow...
58690	First Warning - No STR or Tax	2019-08-04	Delivered	Delivered	14905018800	N/A				No	Yes	COMPLIANT - No longer advertised	estimated_revenue_upper_bound	No	Yes	Yes	Rental Unit Record	N/A	Report Issue	
58689	First Warning - No STR or Tax	2019-08-04	Delivered	Delivered	14815013500	N/A				No	Yes	COMPLIANT - No longer advertised	estimated_revenue_upper_bound	No	Yes	Yes	Rental Unit Record	N/A	Report Issue	

Compliance Monitoring

Stay in control but save time by having us send your enforcement letters with the click of a button

The image displays a software interface for compliance monitoring. At the top, a 'Rental Unit Record' for '12 First Ave, Nashville, TN 37203, USA' is shown with a status of 'Active Identified Compliant'. A 'SEND A LETTER' button is visible next to 'PRINT' and 'SEND A LETTER' buttons. A red arrow points from this button to a larger, highlighted 'SEND A LETTER' button in a separate box. Below the record, there are sections for 'Listing(s) Information' and 'Rental Unit Information'. The 'Listing(s) Information' section includes an Airbnb listing ID (24645873) and a VRBO ID (3212066933757468), along with a kitchen photo and a 'Matched Details' section. The 'Rental Unit Information' section lists fields like 'Identified Address', 'Identified Unit No', 'Identified Latitude', 'Parcel Number', 'Owner Name', and 'Owner Address'. A 'Select Letter Template' dialog is open, showing four templates: 'First Warning - No STR or Tax', 'First Warning - No STR Permit', 'First Warning - No Tax Reg', and 'Airbnb Letter'. A 'granicus.com' logo is in the bottom left corner.

Rental Activity Monitoring

Host Compliance Rental Unit ID	Unit Permit/Registration Numbers	Address	Parcel Number	Unit Number	Estimated Gross Revenue (2022)	Estimated Non-Airbnb Gross Revenue (2022)	Reported Revenue (2022)	Unit Number
8qM8grGQgTmJ5	901			N/A	\$74,294	\$0	\$891,061	
glx3ixCEBmEg	7			N/A	\$17,118	\$0	\$488,777	
NWCF7K6S3uS8Mm	1219			N/A	\$89,211	\$36,722	\$291,640	
LBP5GjE3MmE0v8j	849			N/A	\$1,761	\$0	\$254,385	
983u8R0Gje	849			N/A	\$4,765	\$0	\$254,385	
w8MmCF1p1uGZ	849			N/A	\$21,201	\$0	\$254,385	
x368mssw20ng	336			N/A	\$66,119	\$20,956	\$168,584	
casD3H21p0-mz	19			N/A	\$0	\$0	\$169,349	
qFy1TR020f9Qm	432			N/A	\$188,849	\$75,349	\$161,019	
m85Fpp0KvAMmE	881			N/A	\$71,809	\$71,809	\$148,360	
Yzd8kA5v58NNlp	773-3			N/A	\$69,226	\$43,740	\$126,523	
VQmRfz22RgT0	37-20			N/A	\$33,643	\$0	\$118,237	
sPL1m9pWj2M+	STR0000-00-26-61			N/A	\$16,680	\$16,680	\$113,832	
w0VjP4P3E12dM	892			N/A	\$56,049	\$19,824	\$109,499	
4u02N8-v0dF02	1293-37-26			N/A	\$41,334	\$19,278	\$106,036	
978u8R0Gje	565			N/A	\$39,370	\$19,567	\$102,797	
Mg4M8R0Gje	1953			N/A	\$48,146	\$8,336	\$98,404	
4u02N8-v0dF02	62-37			N/A	\$36,161	\$26,783	\$96,064	
w0QnQ329G1CTmd	1229			N/A	\$88,063	\$14,983	\$96,385	
T84-8R0Gje	281			N/A	\$48,276	\$48,276	\$96,576	
pm85S3m8u2dnd	827			N/A	\$68,749	\$26,169	\$96,907	
M6-v0dF02MmE1S	255-17-409-2			N/A	\$37,389	\$28,573	\$96,148	
8Q-Q3u8y38k6d8P	1234			N/A	\$37,761	\$0	\$87,968	
qgr02NF1C8u2ng0	408-118			N/A	\$36,813	\$22,314	\$87,606	
8AuVjy8Qn8AB85	STR0000-00-26-82			N/A	\$37,687	\$26,584	\$87,822	
q8m08m3uQx1	436			N/A	\$34,878	\$20,400	\$86,584	

Easily identify tax fraud and occupancy/rental frequency violations by monitoring Kingston's STR listings for signs of rental activity

Rental Activity Audit Automation

Automate the selection of audit candidates and the issuance of audit notifications to maximize the impact of Kingston's audit efforts

Tax under-reporting mailing sequence



Rental Activity Audit Automation

Streamline the audit process by requesting all backup info through simple, interactive online forms

The image displays two overlapping screenshots of a web application. The background screenshot is a 'Short-term Rental Revenue Validation Form' with the following content:

Short-term Rental Revenue Validation Form

Please report each listing advertising your short-term rental.

Listing Website:

Listing Webpage:

Listing Website:

Listing Webpage:

The foreground screenshot is a form titled 'Please enter the taxable receipts for the listing on Airbnb at https://www.airbnb.com/rooms/1838274 (Listing 1 / 2)'. It includes the following text:

Access your Airbnb history at https://www.airbnb.com/my_reservations?all=1&print=1&target=_blank

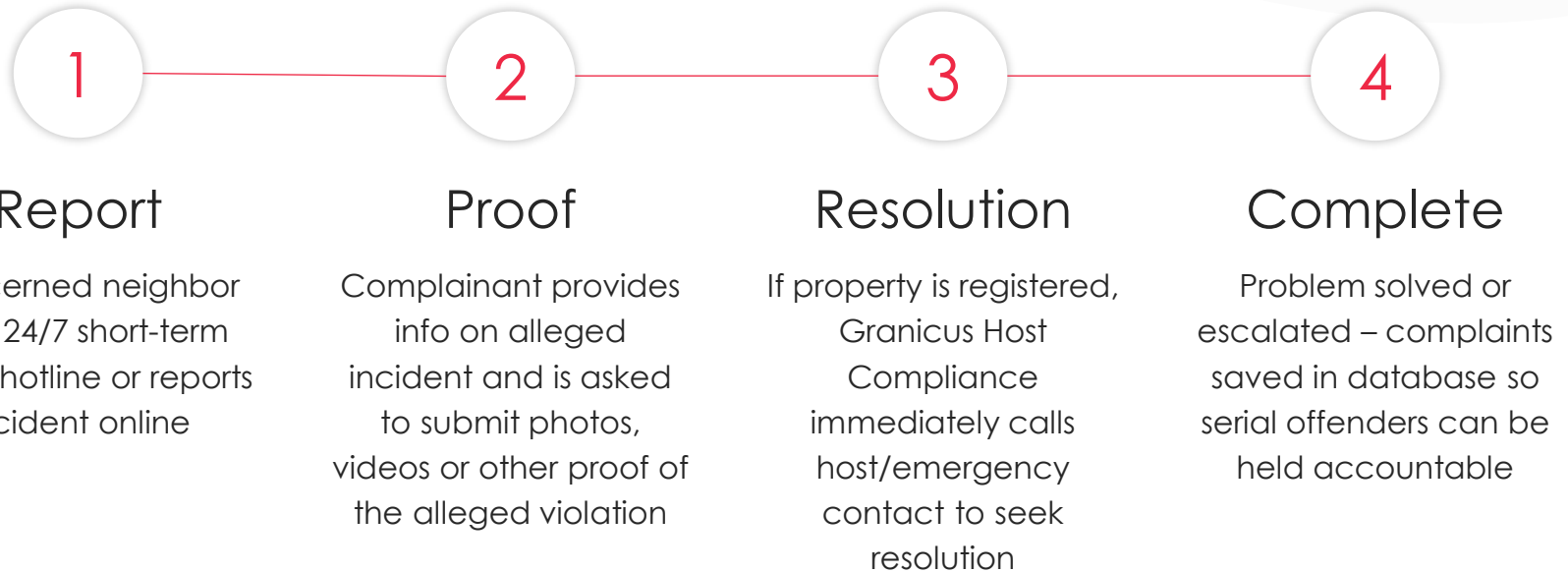
Taxable receipts INCLUDE, but are not limited to, nightly rents, weekly rents, standard cleaning fees, pet fees, internet charges, late check-out fees, extra person fees, and resort fees. Taxable receipts EXCLUDE refundable deposits and any additional items included in a special package rate, such as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

2015

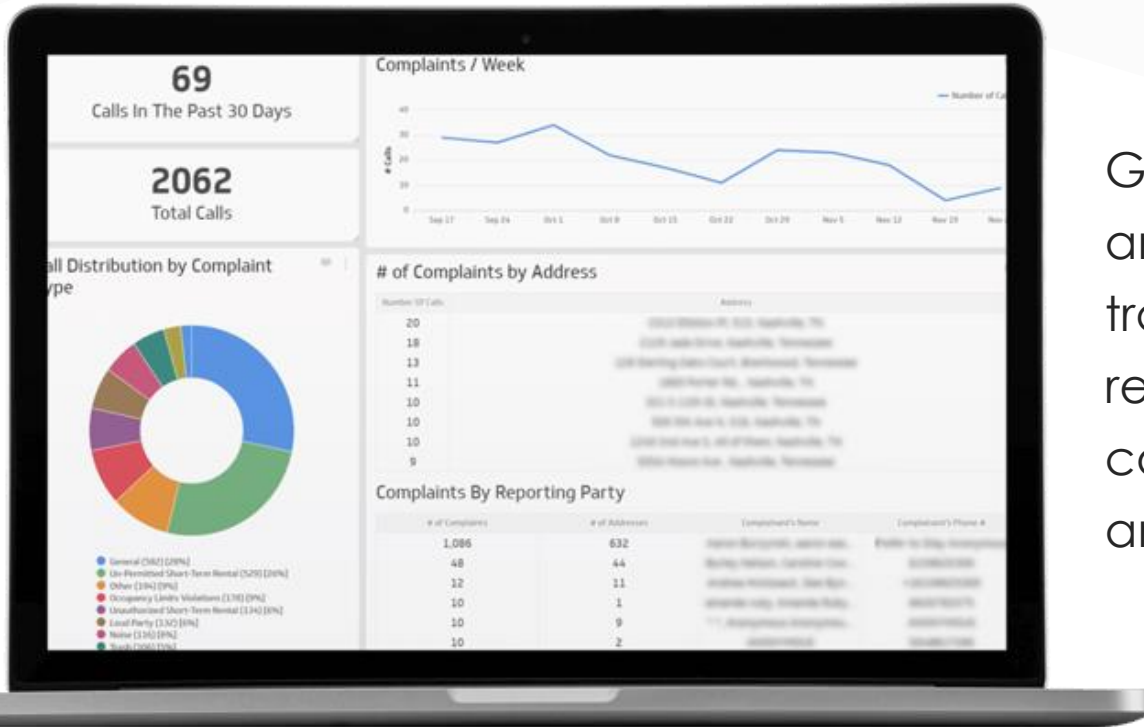
Calendar Quarter 1 2015 (January 01 - March 31)	Please enter the taxable receipts for Quarter 1 / 2015 <input type="text" value="\$xx,xxx"/>
Calendar Quarter 2 2015 (April 01 - June 30)	Please enter the taxable receipts for Quarter 2 / 2015 <input type="text" value="\$xx,xxx"/>
Calendar Quarter 3 2015 (July 01 - September 30)	Please enter the taxable receipts for Quarter 3 / 2015 <input type="text" value="\$xx,xxx"/>
Calendar Quarter 4 2015	Please enter the taxable receipts for Quarter 4 / 2015

24/7 STR Hotline

Make it easy for neighbors to report, substantiate and resolve non-emergency STR related incidents in real-time

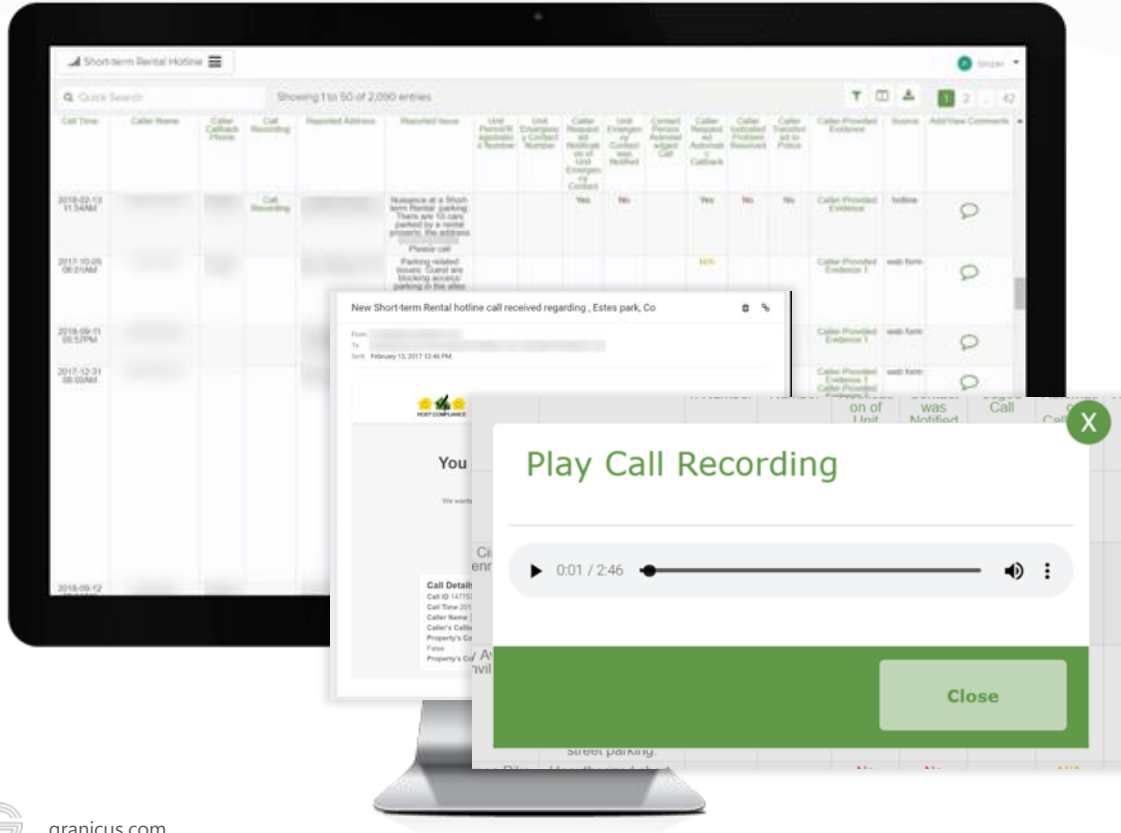


24/7 STR Hotline



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

24/7 STR Hotline



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

Benefits to using the Host Compliance solution

- ✓ Ensures fair, continuous and consistent compliance monitoring and enforcement
- ✓ Frees up valuable staff time that can be focused on higher-value added activities
- ✓ Minimizes noise, parking and trash violations
- ✓ Minimizes the impact on local law and code enforcement agencies as complaints are first handled by our 24/7 hotline and routed to the appropriate property owner before further enforcement actions are triggered
- ✓ Maximizes Kingston's tax and permit fee collections
- ✓ REVENUE POSITIVE – in most cases, the additional registration fees alone pays for the Granicus Host Compliance solution several times over
- ✓ Requires NO up-front investment or complicated IT integration

Agenda

- 1 Introductions
- 2 Kingston and the Market Context
- 3 The Granicus Host Compliance Solution
- 4 Discussion and Next Steps

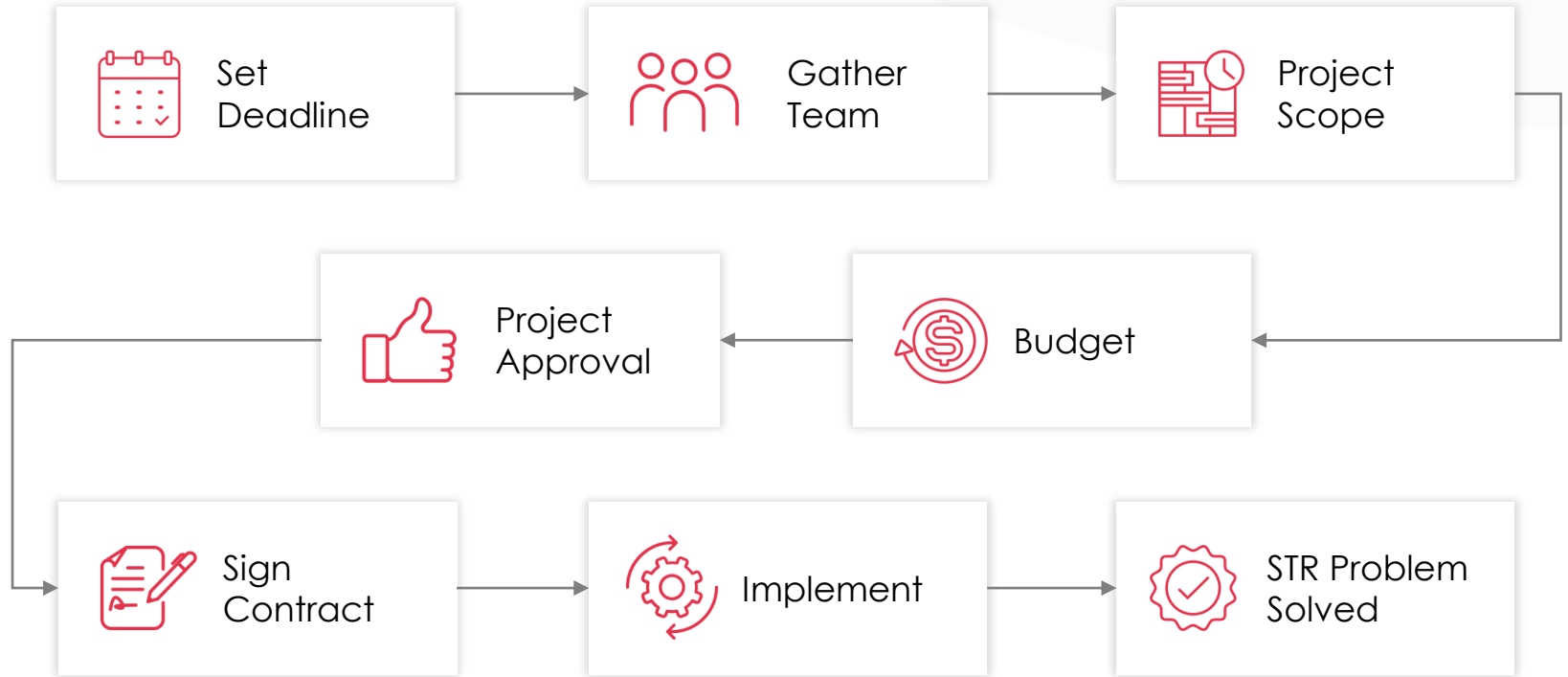




FEEDBACK

Feedback

Working backwards to a solution to address Kingston's STR challenges



Next Steps

- Send you this presentation and meeting summary
- Schedule all team meeting?
- Set timeline to decide on best solution for Kingston's needs
- Confirm timing of possible rollout (needed to secure Kingston's place in the queue)

Contact Info

Please feel free to contact us anytime if you have any questions about short-term rental regulation and how to best address the associated monitoring and enforcement challenges.

Bruce McCaskill

bruce.mccaskill@granicus.com

(415) 707-0568



Unlike our competitors, Granicus Host Compliance systematically captures data from 54 major short-term rental platforms every 3 days

Abritel

Agoda.com

Airbnb.com

AlugueTemporada

BedandBreakfast.com

Belvilla

Bookabach

Booking.com

Bungalo

CanadaStays

Cofman

CyberRentals

Dobovo

e-domizil

Evolve

Expedia.com

Flat4Day

Flipkey.com

Great Rentals

HolidayLettings.com

HomeAway.co.uk

HomeAway.com

HomeAway.com.au

HomeAway.de

HomeAway.es

Homelidays.com

HomeLike

HomeStay

HouseTrip.com

HRS Holidays

Kozaza

LoveHomeSwap

LuxuryRetreats.com

MountainSkiTrips

Niumba.com

Novasol

Orbitz

OwnersDirect

PerfectPlaces

Stayz.com.au

Toprural.es

travelmob.com

TravelStaytion

Tripadvisor.com

TripBeat

Tripz

Vacasa

VacationCandy

VacationRentals.com

Villas.com

VRBO.com

WeNeedAVacation

Wimdu

9flats.com

