

Madam Mayor and City Councilmembers,

We, the Vegas Vacation Rental Association-VVRA, have prepared a summary of data regarding Short-term Vacation Rentals in the City of Henderson for your review and consideration while updating the Henderson's STVR Registration.

First, we want to commend staff for their effort and research into Henderson's STVR registration, and you, Madam Mayor, and all Councilmembers for adopting the most successful STVR registration Nevada has seen!!!

EXECUTIVE SUMMARY

Proposed changes to the Current STR Regulation in order of importance:

19.5.3.G.2(w): VVRA does not support the proposed changes to the number of rental days per month from 30 to 21. The average properly run, neighborhood friendly, STR actually does not show a profit (different from cash flow) in the first year of operation. Limiting the number of days to 21 ensures that they will not break even for years, if ever.

19.5.3.G.2(k) Occupancy Limits: VVRA does not support the proposed changes of 2 occupants per bedroom and lowering the age of children from 16 years old to 6 years old. Children do not count in the total occupancy count. Hotel rooms allow four guests per room. This would be making occupancy stricter than hotels. VVRA recommends keeping with the current occupancy of 4-2-2-2 and children 16 years and under do not count towards the total occupancy. A large percentage of STRs are family rentals so that they can keep a family together and not in several hotel rooms.

19.5.3.G.2(n) Distance Separation: VVRA supports a minimal distance separation, but not the proposed 1,000 foot.

19.5.3.G.2(i) Response time to complaints. Current registration allows for a 2-hour response time. Two hours is a reasonable TOTAL RESOLUTION TIME, but there is a difference between responding to the complaint, stopping the disturbance listed in the complaint, and removing unruly guests. The regulation should recognize that definitionally. Our VVRA supports a fast response time and fast disturbance resolution time, while recognizing that the ultimate removal of the guests may take an additional hour.

19.5.3.G.2(s) Pool and spa use: Current STVR Registration has no provision on hours of use. The VVRA supports limiting the pool and jacuzzi use after 9 PM to preserve the peace and quiet of the residential neighborhood.

Additionally, the VVRA supports requiring all STVR's to have a 24-hour security response company. This will save code enforcement countless hours and salaries along with mitigating staff and council's time. We recommend putting the responsibility for any complaint responses on the owners for issues requiring security or Henderson PD. Contracts with licensed Security companies allow officers to immediately trespass loud and unruly guests off the property at the owners' request and expense. Security officers have the owner's permission to enter and secure the property. Code enforcement and Henderson Police Department are not allowed to do this. Security companies have a relationship with Henderson PD that allows security to call the PD if an issue escalates.

Henderson PD has been instrumental in advising guests what the law is and then police officers are able to depart while the security company stays on the premises until the guests are gone and the property is secured.

When the VVRA originally contacted Henderson, during mid-2018 for input for Henderson's STVR registration, we proposed for the registration to require: a noise monitoring device; security cameras, a 24-hour security response company; and the STR Certification Class. At that time, it was explained to us that Henderson had less than 21 valid complaints on STVR's and it was felt that cameras and a security response company were not necessary. We recommend that all our members have the noise monitoring device because that is the first indication of a potential problem at a property. Owners will follow up by viewing their cameras to verify activity and make a call to the guests or the security company depending upon the severity of a violation of house rules or city rules and regulations. This proactive approach can potentially save the owner a STRIKE against their property's registration and very possibly stop any loud and unruly conduct before it affects the neighborhood.

Fast forward to COVID-19: Code enforcement, Henderson PD, and security companies are all responding to call outs for every kind of complaints to keep issues and violations to a minimum while protecting the public, businesses, neighborhoods, and not just for STVR's.

Detailed information

In 2019, the City of Henderson adopted a STVR Registration with reasonable regulations. Within 75 days of opening applications for registrations, over 150 registrations had been approved. By the end of January 2020, the 150 registrations or 32% of the 478 then current active listings in Henderson who were renting properties less than 30 days a month were now actively renting.

By October 2020, 260 applications, or **65% of the 403 now current active listings in Henderson renting less than 30 days a month, had successfully registered their property.** The majority of active listings were now legal.

All of this has been accomplished prior to the one-year mark for opening active registrations.

Henderson is to be commended for doing everything right.

STVR presence is increasing. All municipalities agree that it is best to license/register all STVR's, regulate them, and collect fees and room taxes which can be used to regulate, enforce regulations, and shut down bad operators.

Revenue Data is taken from the AirDNA.co report for the City of Henderson. AirDNA reports the gross booking revenue from the Airbnb and VRBO STVR platforms.

<u>Year</u>	<u>Gross Revenue</u>	<u>% Increase over first year-2015</u>
2015	\$ 796,512	
2016	\$ 2,725,101	242% increase over 2015
2017	\$ 6,907,093	767% increase over 2015
2018	\$ 7,945,894	898% increase over 2015
2019	\$ 9,608,592	1106% increase over 2015

09/2020	\$ 12,023,328	1409% increase over 2015	***9-months ending 09/30/2020
12/2020	\$ 16,031,103	1913% increase over 2015	***12-month projected ending 12/31/2020

***The prorated projected amount of gross revenue for the 12 months ending December 2020 is approximately \$16 Million.

After adopting the STVR Registration in 2019, the increase in gross revenue from \$9,608,592 to a projected \$16 Million in 2020 represents a single year increase of \$6,422,511 or a 67% increase.

There are currently 403 whole house rentals, 71 private bedroom rentals and 6 room share rentals for a total of 480 active listings on Airbnb and VRBO. ***77 of these listings are for properties doing rentals over 31 days.

Henderson stats: This information is taken from the AirDNA.co web site and represents figures from Airbnb and HomeAway/VRBO advertising platforms and does not include revenues from listings on Trip Advisor, Flip Key, Expedia, and other platforms. Any figures from these other websites would increase the above numbers.

Since 2015, the AirDNA report has reported as few as 329 active listings in Henderson and as many as 730.

We are all very well aware of what happened to STVR's in March 2020 when Vegas closed, and bars and clubs were not open. People and guests used STVR's for parties. Unprecedented-and unpredictable- times.

As part of the Vegas COVID-19 shut down and recovery, we need to be mindful of Nevada's ongoing **unemployment rate and property owners with mortgage forbearances.**

Nevada unemployment continues to remain high- over 12%-190K for regular workers and over 100K for PUA (gig workers). These numbers do not reflect tens of thousands of individuals not qualifying for unemployment benefits.

Local real estate and investment experts predict that when the max forbearance period of 12 months ends, Vegas will start to experience foreclosures similar to what happened after the 2008 stock market crash. It is estimated that there are currently over 80,000+ properties in Las Vegas on mortgage forbearance plans.

Prior to 2008, there were less than 200 STR's. By 2012, the number of STR's increased to 625 and by 2014 there were over 5,000, and by March 2020, Vegas hit a record high of 11,004 active listings on Airbnb and VRBO. **The Vegas marketplace initially grew, in part, from owners trying to save their property from foreclosure.**

Given the unknown future and timing of the Vegas recovery, we expect a 50% increase in the number of active listings on STR platforms as homeowners try to save their homes.

All the municipalities have agreed that to have any control over the STVR's, the STVR businesses must be licensed or registered, and regulated and the regulations must be enforced. In 2019, over \$235M of reservations were booked on the Airbnb and VRBO platforms in ALL of Clark County. (Source AirDNA.co)

In 2019, if all the STR's in all of Clark County were licensed, room taxes would have provided additional revenues of approximately \$31,725,000.

Licensing and registration fees of approximately \$800 to \$1,000 per STR property, currently provides our local municipalities with much needed operating funds. Rooms taxes of 13.5% also help fund our local governments and schools, etc.

It is vitally important to recognize that the annual registration fee of \$820 on 260-STVR provides approximately \$213,000 of ongoing income to the City of Henderson. As more properties register, that income source increases. Properties owners are paying code enforcement fines for violations, providing **additional income to Henderson which can help cover enforcement costs incurred whether the property is registered or not. The City of Henderson is entitled to approximately 10% of the room tax revenue as the taxing entity. For the 9 months ending September 2020, 10% of the room tax revenue would provide Henderson with additional funds of approximately \$162K.** Henderson would have revenues of \$213K + \$162K for a total of \$375K from STVR registrations and room taxes.

*****In Clark County**, there are over \$1.5M of fines on STVR's and increasing, of which maybe 5% to 8% are collected. Code enforcement officer salaries are over \$1M, staff salaries, commissioners' salaries, county attorneys are additional costs that are not even quantified when discussing STVR's violations and fine collections.

The county is spending millions of dollars on going after unlicensed STVR's and collecting less than \$150K in fines. If the county licensed the 6,000+ STVR's, they could collect almost \$5,000,000 annually in licensing/registration fees and bring over \$25,000,000 annually in room taxes into the local government to help with current budget deficits.

*****In the City of Las Vegas**, STVR's have been able to get licensed since 2008. The City of Las Vegas currently has less than 200 active licensed STVR's out of over 1400 active listings on the Airbnb and HomeAway/VRBO platforms. (There used to be over 2500 active listings. Many have been shut down and many have found other advertising sources to avoid detection.) They City of Las Vegas has adopted some of the most restrictive STVR ordinances and consequently, they have spent millions of dollars on code enforcement salaries, city attorneys defending law suits or taking owners to court, including thousands of hours of staff and councils time every year and collecting less than 10% of their accumulated fines. They are handing out \$50K+ and \$100K+ fines like Halloween candy and will never collect the fines. This is not the recommended role model for STVR's. Recap: In 12 years, the City of Las Vegas has less than 200 licensed properties.

Not licensing or registering properties allows the unlicensed properties to undermine the nightly rates charged by licensed properties and not contribute to any local municipality by paying registration or licensing fees and taxes.

I have worked with many exceptional property managers and owners over the last decade and since COVID, even the best property managers and owners have occasionally been flat out lied to by guests who misrepresent the number of guests and the intended purpose for use for the property on their reservation agreement. It has been discouraging, to say the least, for owners and managers and they all have sincerely appreciated when code enforcement worked with them to resolve any issues that have come up. A handful of owners are having a difficult time because of the guest's misrepresentations, but owners and managers have wised-up and are screening guests better, advising guests of their ZERO TOLERANCE policy for breaking any house rules or city regulations. On follow up communication with future guests, owners are cancelling guests' reservations because the owner is not comfortable with the lack of information and the guests responses to questions the owners ask. Everyone is working diligently to avoid any problems that will risk their STVR registration.

Registered owners have worked hard to get licensed (operate legally) and they are working harder to not have any violations because now they risk losing their highly regarded Henderson STVR Registration.

Our support for proposed changes to Henderson's STVR registration:

19.5.3.G.2(w) Current registration allows for 30-days a month. We support the current registration requirements and we know that limiting the number of days to anything less than 30-days a month will negatively affect all owners ability to cover monthly expenses let alone their initial investment and out of pocket expenses of hundreds of thousands of dollars depending upon the size of home. Monthly expenses include mortgage payments, utilities, pool and landscaper, housecleaners, property managers, property taxes and insurances, cable TV and internet, advertising expenses, repairs and maintenance, security cameras, noise monitoring, 24-Hour Security response, legal expenses, licensing/registration fees, professional classes, room taxes, etc. We all know it takes a business 3 to 5 years to become profitable. In fact, for the first year, not one property operates at a profit. They all have "cash flow". But as we all know, cash flow, is not a profit.

19.5.3.G.2(k) Occupancy Limits: We support the current occupancy of 4-2-2-2 and children under 16 are not counted as adults for occupancy purposes. We do not the proposed change of 2-2-2-2 and lowering the age from 16 to 6. This means a 7-year old child would be counted as an adult.

19.5.3.G.2(n) Distance Separation: Currently, there is no distance separation. We support a minimal distance separation, but not the proposed 1,000 foot.

19.5.3.G.2(i) Response time to complaints. Current registration allows for a 2-hour response time. Two hours is a reasonable respond and resolve time as outlined in the 3-steps below. The current proposal reduces the initial contact time from 45 minutes to 15 minutes and the resolution time from 2 hours to 15 minutes. Is it fair or even safe or practical to reduce the response and resolution time to 15 minutes? We believe this jeopardizes everyone's safety. Responding involves 3-steps.

First step: Owner/manager is contacted regarding complaint. Owner must contact guest within 15 minutes to resolve complaint.

Second step: If the complaint is not resolved during the initial contact with the guest, the owner/manager should call a licensed security company to respond out to the property within a 30-minute timeframe. We do not recommend owners or managers respond out to the property themselves for safety reasons. Total time now is 45 minutes.

Third step: The security company arrives at the property within 30 minutes and advises all the guests that the security company was contracted by the owner and the guests have violated the terms of the reservation agreement. The owner has a ZERO TOLERANCE policy for breaking any house rules and/or all city regulations and the guests are required to pack up and leave the property immediately. The guests are being trespassed off the property. At this point, most complaints have been resolved because the guests are no longer disruptive to the neighborhood as ensured by the security company's presence. The only remaining action is for the security company to stay at the property until all guests have departed the property. This can take 45 minutes to one hour to pack up everything and leave in a responsible manner. The complaint has been fully resolved in less than 2-hours, but the disturbance has been resolved in less than one hour. A Short-term rental falls under the Host-Guest relationship and guests may be trespassed off the property. STR's do not fall under landlord/tenant laws. The process can take up to one hour or more, but our experience during the last

6 months of actively using the 24-hour security response company has proven the full 2 hour response time is necessary to protect all involved parties.

All STR owners have access to 24-hour security response companies that will trespass loud and unruly guests who break any house rules or city registration rules and requirements, but even these companies can only guarantee a 1-hour response time. Please consider that even Henderson PD or Metro cannot prioritize a call out to a STVR and resolve an issue in 15 minutes or even an hour. The first priority of any and all responders is their safety, the safety of all guests, the neighborhood, and the property owners. We do not advocate for any owner to try and handle any loud and unruly guests by themselves especially given the current atmosphere during the COVID pandemic. We ask that you clarify the difference between “response time” and fully “resolved time”. As we have pointed out above, the disruption to the neighborhood will stop once the security company has arrived and made contact with the guests.

19.5.3.G.2(s) Pool and spa use: Current STVR Registration has no provision on hours of use. We agree with limiting the pool and jacuzzi use after 9 PM to preserve the peace and quiet of the residential neighborhood.

I am available to meet with you or to have a call to answer any questions or concerns. Our Vegas Vacation Rental Association has the largest membership of STVR property owners and managers in Nevada. The VVRA does not have any financial interest in any noise monitoring products, security company or any vendors that we use or recommend. We look forward to working with Henderson again to amend the current registration to fit the changing dynamics of the STVR market.

Best regards,

Annette Fiala

Vegas Vacation Rental Association.

714-396-2912

***Included: Please see copy of 24-hour security incident report



OSS Services
3651 Lindell Road D208 Las Vegas NV 89103
(702) 488-0091 - WWW.OSSServices.Info

License #
 NV PILB 2718

Incident Report

Incident Type: 416B. OTHER DISTURBANCE	Report # 1922699	Property: VVRA-VEGAS VACATION RENTAL ASSOCIATION	Incident Date: 11/08/2020	Incident Time: 0230	Date/Time Reported: 2020-11-08 05:36
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Location of Incident: 2833 VIA ROMANTICO

ATTACHMENTS:

Disposition	Injuries	Emergency Personnel On Scene
Did An Arrest Take Place: <input type="checkbox"/>	Victim: <input type="checkbox"/>	Law Enforcement: <input type="checkbox"/>
Was Suspect Positively Identified: <input type="checkbox"/>	Suspect: <input type="checkbox"/>	Fire Department: <input type="checkbox"/>
In Your Opinion, Is This Case Solvable?: <input checked="" type="checkbox"/>	Officer: <input type="checkbox"/>	Ambulance / Paramedics: <input type="checkbox"/>

COMMENTS / NARRATIVE / DESCRIPTION

ON 11/08/20 AT APPROXIMATELY 0146 HOURS O.S.S CONTROL CENTER RECEIVED A CALL FROM THE OWNER OF 2833 VIA ROMANTICO IDENTIFIED AS ZOHAR LOTEM REQUESTING PATROL ASSISTANCE FOR AN EVICTION REGARDING CONTRACT VIOLATIONS PERTAINING TO THE REGISTERED GUEST WHOSE NAME IS PORSCHA BULLOCK. MR. LOTEM STATED THAT PORSCHA RECEIVED A SECOND (2ND) WARNING FOR LEASE VIOLATIONS REPORTED AS OVER OCCUPANCY (MULTIPLE GUESTS). DISPATCH NOTIFIED CORPORAL DAY, OFFICER SCOTT, OFFICER UNDERWOOD, OFFICER LUGO AND OFFICER MCGINNIES AT 0150 HOURS (1:50AM), ALL UNITS WERE ENROUTE. PATROL RESPONSE ARRIVED ON PROPERTY AT 0212 HOURS (2:12AM). UPON ARRIVAL CORPORAL DAY OBSERVED TWO (2) BLACK MALE ADULTS (BMA'S) STANDING IN THE DRIVEWAY; THE TWO (2) BMA'S NOTICED THE PATROL UNITS PRESENCE AND WENT BACK INSIDE THE HOUSE. CPL. DAY CONDUCTED A SWIFT AND PRECISE BRIEFING SESSION WITH ALL PATROL UNITS PRIOR TO APPROACHING THE RESIDENCE. ALL UNITS PROCEEDED TOWARDS TO THE FOREFRONT OF THE DOOR AND CPL. DAY MADE CONTACT. ONE (1) BMA ANSWERED THE DOOR DESCRIBED AS SHORT (IN HEIGHT) WEARING A T-SHIRT AND JEANS. CPL. DAY REQUESTED TO SPEAK WITH THE REGISTERED GUEST PORSCHA BULLOCK, THE BMA STATED "SHE IS NOT HERE?" "SHE IS ON HER WAY BACK". CPL DAY ADVISED THE MALE INDIVIDUAL "WE ARE HERE TO EVICT YOU FROM THE PREMISES PER THE OWNER FOR VIOLATING THE CONTRACT/LEASE AGREEMENT". CPL. DAY THEN REQUESTED A SECOND (2ND) TO SPEAK WITH THE LEASEE PORSCHA BULLOCK AND IF SHE IS NOT PRESENT EVERYONE MUST VACATE DUE TO VIOLATIONS OF THE CONTRACT, THE BMA REPEATED A SECOND (2ND) TIME "SHE'S ON HER WAY BACK?", WHILE MAINTAINING POSITION CPL. DAY OBSERVED A SECOND (2ND) BMA APPROACHED THE DOOR APPROXIMATELY SIX (6) FOOT IN HEIGHT WEARING A RED PLAID JACKET, THE BMA ASKED CPL. DAY "WHAT WAS GOING ON? AND FOLLOWED-UP STATING "I AM PORSCHA'S BROTHER?" (VERIFYING WITH A PASSPORT). CPL. DAY INFORMED THE BMA (PORSCHA'S BROTHER) "WE ARE HERE TO EVICT THE PREMISES FOR VIOLATION OF CONTRACT", THE SUBJECT (PORSCHA'S BROTHER) CONTINUED TO INQUIRE ABOUT O.S.S SERVICES (PATROL UNITS) PRESENCE ALONG WITH ASKING MULTIPLE QUESTIONS REGARDING THE VIOLATIONS?. CPL. DAY RESPONDED BY STATING "I DO NOT HAVE ANSWERS TO ANY OF YOUR QUESTIONS?, CALL THE OWNER OR AIR BNB, "WE ARE O.S.S PRIVATE PATROL CONTRACTED TO FULFILL THE EVICTION?" THE SUBJECT (PORSCHA'S BROTHER) THEN STATED "OH YOU GUYS ARE NOT THE POLICE?". CPL. DAY REPLIED "NO SIR THIS IS A CIVIL MATTER AND WE HAVE FULL AUTHORITY TO ATTAIN OUR ORDERS FROM THE OWNER AND AIR BNB". CPL. DAY THEN EXPLAINED TO THE BMA IF THEY DO NOT EVICT THE PREMISES, THIS WILL BECOME A TRESPASS AND A CRIMINAL MATTER AND HENDERSON POLICE WILL BE NOTIFIED?' CPL. DAY WAS THEN APPROACHED BY A THIRD (3RD) BMA DRESSED IN ALL BLACK HEAVILY BUILT (STOCKY) STATING" I HAVE LAWYERS AND A TRESPASS AIN'T NOTHING". CPL. DAY THEN INFORMED THE SUBJECTS "YOU HAVE FORTY (40) MINUTES TO VACATE BEFORE WE ENTER THE PREMISES?" THE SUBJECTS REPLIED "WE WILL TRY TO GET AHOLD OF THE OWNER?" AS THEY WERE ENTERING BACK INSIDE THE RESIDENCE. CPL. DAY INSISTED THAT THE FRONT DOOR REMAINS OPEN (AJAR FOR OFFICER'S SAFETY), THE BMA'S DISREGARDED AND COMPLETELY SHUT THE DOOR. FOLLOWING THE SUBJECTS ACTIONS OFFICER SCOTT NOTIFIED HENDERSON POLICE AT 0232 HOURS (2:32AM) REQUESTING ASSISTANCE FOR A

CRIMINAL TRESPASS. WHILE O.S.S PATROL UNITS MAINTAINED POSITIONED (REMAINED ON STANDBY) CPL. DAY OBSERVED INDIVIDUALS DEPARTING THE RESIDENCE IN A SPORADIC MANNER (ONE OR TWO AT A TIME). AT 0242 HOURS (2:42AM) HENDERSON POLICE CALLED BACK STATING WE HAVE BEEN REROUTED FROM THE PENDING RESPONSE CALL, DUE TO RECEIVING A HIGHER PRIORITY CALL. SERGEANT MONGE ARRIVED ON PROPERTY AT 0242 HOURS FOR REINFORCEMENT. AT 0300 HOURS (3:00AM) ALL UNITS ENTERED INSIDE THE RESIDENCE OBSERVING AN ESTIMATED AMOUNT OF FOUR (4) TO FIVE (5) INDIVIDUALS STILL INSIDE COLLECTING THEIR REMAINING ITEMS. UPON ENTRY THREE (3) MORE INDIVIDUALS DEPARTED AND TWO (2) REMAINING INDIVIDUALS WERE SCANNING (VISUALLY) ALL ROOMS TO ENSURE NO ARTICLES WERE LEFT BEHIND. AT 0306 HOURS (3:06AM) PREMISES WERE SECURED (ALL GUEST VACATED). CPL. DAY MADE CONTACT WITH THE OWNER'S REPRESENTATIVE ADVISING ALL AREAS INSIDE THE RESIDENCE WERE CLEAR AND SECURE. THE REPRESENTATIVE ENTERED INSIDE THE PREMISE IN A SAFE MANNER AND VISUALLY INSPECTED ALL AREAS INSIDE THE RESIDENCE TO CONFIRM ALL SUBJECTS WERE EVICTED. SEVERAL PHOTOS WERE OBTAINED, THE REPRESENTATIVE TURNED OFF ALL LIGHTS AND SECURED (LOCKED) THE FRONT DOOR. ONCE THE REPRESENTATIVE DEPARTED THE PROPERTY IN A SAFE MANNER, ALL PATROL UNITS DEPARTED THE PREMISES AT 0325 HOURS (3:25AM) WITHOUT INCIDENT, RESUMING ROUTINE PATROLS. THERE IS NOTHING FURTHER TO REPORT. END OF STATEMENT. PLEASE SEE PHOTOS ATTACHED.

Employee ID:	Name:	Signature:	Submitted:
S5094S	SHAWN SCOTT JR		2020-11-08 05:36

SAVE A TREE - DON'T PRINT ME!