

MIAMI BEACH

OFFICE OF THE CITY MANAGER

NO. LTC # **484-2016**

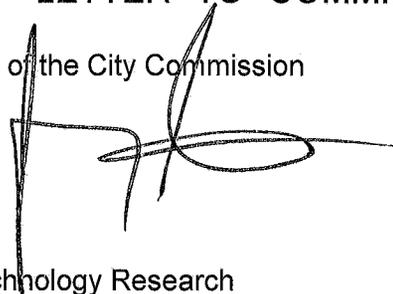
LETTER TO COMMISSION

TO: Mayor Philip Levine and Members of the City Commission

FROM: Jimmy L. Morales, City Manager

DATE: November 9, 2016

SUBJECT: Short Term Rental Assistance Technology Research



The purpose of this Letter to Commission (LTC) is to inform the Mayor and City Commission of the research the Code Compliance Department has conducted to explore the various companies that offer short-term rental assistance services. These services include summary market statistics, assistance in providing approximate locations of advertised properties, and estimates on the frequency of illegal rental activity for a given advertisement. These companies utilize publicly available data from sources such as Airbnb, VRBO, and other rental sites to compare advertised properties and determine approximate locations and statistics. While some companies indicated they would be able to provide more specific address identifiers, such as apartment or condo unit numbers, we have not been able to confirm these claims to a level of certainty.

Currently, the Code Compliance Department has trained all Code Compliance Administrators (CCAs) and Code Compliance Officers (CCOs) in short-term rental investigations, with two CCOs dedicated specifically to short-term rental investigations. The FY2016/17 Budget provides for three additional positions dedicated to this effort, including a supervisor (CCA). Short-term rental investigations include internet research to locate advertisements, field monitoring and investigations of suspected or known illegal transient properties, and responding to complaints of illegal rental activity.

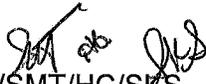
To date, the department has researched and made contact with the following companies:

1. **BNB Shield:** Code Compliance explored the material available on the company website and spoke with a company representative on the phone. The services appear to be more targeted toward property managers but they advised they do have one municipal client. At this time, we are not able to confirm the company is able to provide anything more than a close proximity or approximate address of advertised units.
2. **SubletAlert.com:** Code Compliance explored the material available on the company website and contacted a company representative who advised their services focused on private landlords and property managers.
3. **Host Compliance/iCompass:** Code Compliance explored the material available on the company website and had a webinar demonstration of the services offered. The company provides consulting services for developing enforcement policies, summary statistics and although it can provide a close proximity or approximate address of advertised short-term rental properties, it cannot provide the unit numbers.
4. **Metropolitan Public Strategies (MPS):** Code Compliance reviewed the

proposal by their founder/CEO for an illegal listings tracking program. After telephone discussion, it was determined that the exact unit numbers of condo and apartment listings could not be provided. However, the company is able to provide occupancy averages which may be of assistance to the Finance Department in calculating estimated Resort Taxes owed by violators.

5. **Hamari:** Code Compliance explored the material available on the company website, spoke with a company representative and received a sample report of short term rental leads. Specific unit numbers were included for the two properties in the sample report. The cost structure for the service is a pay-per-lead, in addition to monthly monitoring fees.

At this time, there is no shortage of short-term rental leads coming into the department via resident complaints, referrals from other departments, and proactive identification by staff. Code staff is actively searching for advertisements and investigating properties through the various sources of publicly available information online and in the field. Indeed, our previous average of 300 plus short-term rental investigations annually has exponentially increased with this year trending toward more than 1,000 investigations. We've finalized a partnership with the Greater Miami & the Beaches Hotel Association (GMBHA), who incidentally is corroborating with Florida International University's (FIU) School of Hospitality & Tourism Management, in developing additional leads for short-term rental investigations. With the addition of three full-time employees budgeted for this effort, the assistance of a third party vendor for lead development is not necessary.


JLM/SMT/HC/SKS

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