



City Council Weekly Information Packet

Friday, August 19, 2022

Includes the following documents/information:

- 1) City Council Events Schedule
- 2) State and Federal Update & Grant Opportunities
- 3) Short-Term Residential Update
- 4) Community Services Department Update



City Council Events Schedule

August 19, 2022 thru October 22, 2022

The Mayor and City Council have been invited to attend various community meetings and public and private events at which a quorum of the City Council may be present. The Council will not be conducting city business, nor will any legal action be taken. This is an event only and not a public meeting. A list of the community meetings and public and private events along with the schedules, dates, times, and locations is attached. Organizers may require a rsvp or fee.

Mon	Aug 29	6:00 p.m.	Clark Park Neighborhood Association Meeting Location: 509 W. 15 th Street Tempe, AZ Zoom Link: tempe.gov/neighborhoodmeetings
Tues - Fri	Aug 30 – Sept 2	All Day	2022 League Annual Conference Location: The Renaissance 9495 W. Coyotes Boulevard Glendale, AZ 85305
Fri	Sept 23	8:00 a.m. – 10:00 a.m.	Be a Good Neighbor Breakfast Location: Granite Reef Senior Center 1700 N Granite Reef Road Scottsdale, AZ
Sat	Sept 24	11:00 a.m. – 6:00 p.m.	Dr. Warren H. Stewart, Sr.’s 45 th Anniversary Celebration Septemberfest Location: First Institutional Baptist Church – FIBCO 1141 E. Jefferson Street Phoenix, AZ
Sat	Sept 24	5:30 p.m. – 7:30 p.m.	Tempe Artists Guild Artist Reception Location: Tempe History Museum 809 E. Southern Ave Tempe, AZ
Thur	Oct 6	9:00 a.m. – 12:00 p.m.	Tempe Sister Cities – Mayor Leadership Roundtable Discussion Location: Tempe History Museum 809 E. Southern Avenue Tempe, AZ
Thur	Oct 6	5:30 p.m. – 10:30 p.m.	Tempe Sister Cities 50 th Anniversary Gala Location: Double Tree Phoenix-Tempe 2100 S. Priest Drive Tempe, AZ

Wed	Oct 12	5:30 p.m. – 9:00 p.m.	39th Don Carlos Humanitarian Awards Location: SRP PERA Club 1 E. Continental Drive Tempe, AZ
Sat	Oct 22	3:00 p.m. – 7:00 p.m.	Getting Arizona Involved in Neighborhoods Location: Various locations Tempe, AZ

08/10/2022 JR

MEMORANDUM



TO: Mayor and City Council
THROUGH: Andrew Ching, City Manager
FROM: Marge Zylla, Government Relations Officer
DATE: August 19, 2022
SUBJECT: State and Federal Update & Grant Opportunities

Below are summaries of recent actions and announcements at the state and federal level:

- Inflation Reduction Act of 2022
- Colorado River System Federal Announcement
- August Primary Elections, County Canvass
- Legislative Housing Supply Ad Hoc Committee Update
- November 2022 Ballot Initiative Information
- FY 23 Appropriations Report
- Valley Metro Board Representation

Please let me know if there are follow-up questions for Tempe's federal lobbyist. Also, please let me know if Tempe staff members are pursuing federal grants so we can arrange for letters of support from our Congressional delegation.

Inflation Reduction Act of 2022

[HR 5376, the Inflation Reduction Act of 2022](#) was signed into law on 8/16/22. The release from the City of Tempe is available at [this link](#). A write up of the bill components for local governments for climate and clean energy is available from the National League of Cities at [this link](#). The US Conference of Mayors statement on the bill passage is available [here](#).

Colorado River System Federal Announcement

On 8/16/22, the US Department of Interior announced the Colorado River operating conditions that were referenced more generally in June. Press release at [this link](#). In response, the Arizona Department of Water Resources (ADWR) and the Central Arizona Project (CAP) released a [joint statement](#). A video of a joint ADWR and CAP press conference is available at [this link](#). As noted in earlier memos and [releases](#), the City of Tempe continues to engage in awareness and conservation efforts. Tempe conservation resources can be found at [this link](#) and additional drought resiliency information is available [here](#).

August Primary Elections, County Canvass

This week, the Maricopa County Board of Supervisors canvassed the results of the 2022 August Primary Election. The results are linked from the Maricopa County Recorder press release [here](#). Turnout values and upcoming election timeline dates are available at [this link](#).

Legislative Housing Supply Ad Hoc Committee Update

As noted in an earlier Weekly Council Information memo, Mayor Woods was named to the Housing Supply Study Committee, an ad hoc committee created by the legislature. The committee is open for public comment. Last week's committee meeting can be viewed at [this link](#). The next meeting is 8/23/22 and when the agenda is posted by the legislature it will be available at [this link](#).

Background

Striker language to HB 2674 was passed and signed into law which authorizes a study committee to analyze housing supply with representatives representing different stakeholder groups. The committee is slated to discuss and receive presentations on areas including industry and city processes, economic impacts of housing, housing accessibility for veterans, LGBTQ individuals, seniors, and minority communities, and housing supply chain concerns. The House press release is available at [this link](#). The text of bill that created the committee is available at [this link](#).

November 2022 Ballot Initiative Information

There are a number of November 2022 ballot initiatives. Summary information and fiscal analyses of the initiatives from the Joint Legislative Budget Committee are available at [this link](#), which also includes fiscal notes for the Legislatively-Referred Initiatives. The legislative draft analyses of the Legislatively-Referred Initiatives are available at [this link](#).

FY 2023 Appropriations Report

The FY 2023 Appropriations Report was published by the Joint Legislative Budget Committee earlier this month. It contains the fiscal information from the bills passed by the state legislature this past session, including the budget information for state agencies, appropriations for projects and programs, and the revenue forecast. It is available at [this link](#).

Valley Metro Board Representation

Vice Mayor Jennifer Adams has been named to the Chair position of the Valley Metro Rail Board of Directors. The current representation on the Valley Metro Boards is available at [this link](#) and the announcement of her Chair position is available at [this link](#).



Memorandum

Date: August 19, 2022

To: Mayor and City Council

From: Tom Duensing, Deputy City Manager (ext. 8505)

Thru: Andrew Ching, City Manager
Rosa Inchausti, Chief Deputy City Manager
Marge Zylla, Government Relations
Ryan Levesque, Deputy Community Development Director – Planning

Subject: Short-Term Residential Rental Update

Background:

In 2016, the State Legislature passed Senate Bill 1350, a bill that preempted cities and towns from prohibiting vacation rentals or short-term rentals within their borders. This bill also banned cities and towns from restricting the use of or regulating vacation rentals or short-term rentals based on their classification, use or occupancy.

In the 2019 legislative session, the Legislature passed House Bill 2672, which made various changes to Senate Bill 1350 and allowed for cities to further regulate vacation rentals and short-term rentals under specific circumstances. As a result, the City passed an ordinance O2019.53 on December 12, 2019, which required the following:

- Requires contact information for the owner and an emergency contact and that the contact information be displayed in the short-term rental.
- Requires the owner to update their contact information in writing within 10 days of the effected change.
- Requires the City Manager or designee to develop the necessary forms and/or database.
- Requires short-term rentals to comply with all federal and local laws, rules and regulations.
- Clarifies nonresidential uses and requires the list of nonresidential uses to be displayed in the short-term rental.
- Requires the owner of a short-term rental business to obtain a transaction privilege tax license before offering their property for rent.
- Clarifies that a short-term rental operator may not offer their rental without a current transaction privilege tax license.
- Defines a vacation rental or short-term rental.

For the registration and license requirements, the Tax & License Division of Financial Services developed an online short-term rental registration page that was launched in early 2020.

In the 2022 legislative session, the Legislature passed Senate Bill 1168. Effective September 24, 2022, cities and towns have the ability to pass ordinances which include the following:

- Allows local governments to require a short-term rental (STR) owner to obtain and maintain a local regulatory permit or license, with a fee not to exceed the actual cost of issuing permit/license or \$250, whichever is less.
- Requires notification to adjacent properties or directly/diagonally across the street from a STR. And allows a city or town to require additional notification if the contact information provided changes.
- Requires local governments to issue or deny the license or permit application within seven business days.
- Authorizes local governments to deny a permit or license application under certain conditions.
- Requires an STR to cease operations for failing to apply for a license.
- Authorizes local governments to require the STR owner to display the local regulatory permit or license number on advertisement.
- Authorizes local governments to suspend a license for three verified violations within a twelve-month period for:
 - a felony offense committed at a vacation or short-term rental by the owner or owner’s designee;
 - a serious physical injury or wrongful death at or related to a vacation or short-term rental resulting from the knowing, intentional or reckless conduct of the owner or owner’s designee;
 - an owner or owner’s designee knowingly or intentionally housing a sex offender, allowing offenses related to adult-oriented businesses, sexual offenses or prostitution or operating or maintaining a sober living home, in violation of an adopted regulation or ordinance; and
 - an owner or owner’s designee knowingly or intentionally allowing the use of a vacation or short-term rental for a special event that would otherwise require a permit or license in accordance with an ordinance or a state law or rule for a retail, restaurant, banquet space or similar use.
- Allows local governments to require STR operators to notify all residential properties adjacent to, directly, and diagonally across the STR of their emergency contact information and prescribes the method in which an operator or designee may prove compliance of this requirement.
- Allows a local government to require the owner of a vacation or short-term rental to maintain liability insurance appropriate to cover the rental in the aggregate of at least \$500,000.
- Allows a local government to impose a civil penalty, based on a scale from the number of repeat violations from up to \$500 to \$3,500.

Next Steps:

The League of Arizona Cities and Towns (League) is currently developing a Model Ordinance to assist local governments in analyzing and developing ordinances. On Tuesday, August 23, we are convening a Short-Term Rental Working Group consisting of staff from the City Manager’s Office, the City Attorney’s Office, Community Development, the Fire Medical Rescue Department, the Police Department to analyze State law, current Tempe ordinances, the League’s Model Ordinance, and develop options for Council consideration. We anticipate at least one presentation during a Fall 2022 Work Study Session for Council direction.

Attached is a presentation which will be given to the City’s Neighborhood Advisory Commission on Saturday, August 20, 2022, which may provide helpful summary information.

Please let me know if you have any questions.

Tempe Short-Term Residential Rental Update

Presented by

Tom Duensing, CPA, Deputy City Manager

Jess Rankin, Interim Tax & License Manager



Tempe

Tempe Short-Term Rentals (STR's)

- What are STR's vs LTR's?
- STR's in Tempe
- Current State:
 - State Law
 - Tempe Ordinance
 - Noise & Property Regulation
 - STR Compliance
- Tempe vs Other Cities
- Items For Consideration
- Q & A



What are STR's vs LTR's?



Days Rented	Property Type	Transaction Privilege Tax (TPT)	Tempe Rate
< 30 Days	Short-Term Rental (STR)	Hotel	6.80%
30+ Days	Long-Term Rental (LTR)	Residential Rental	1.80%



Short-Term Rentals in Tempe



1,150



Estimated Short-Term Rentals in Tempe *

\$190

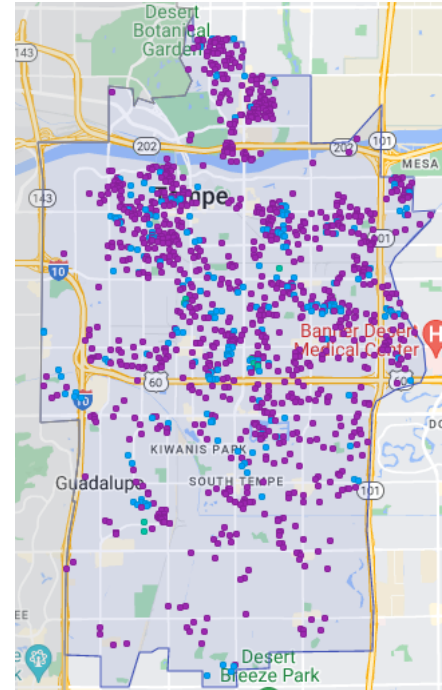


Average Daily Rate in Tempe **

71%



Occupancy Rate in Tempe **

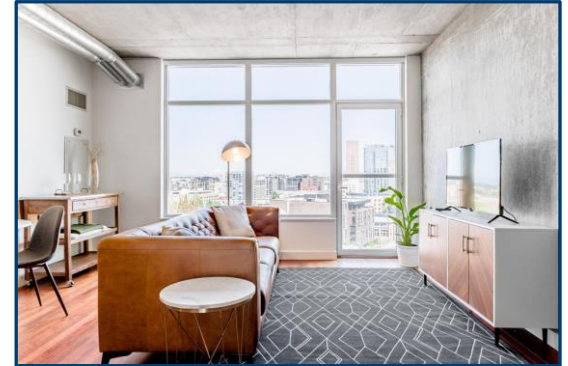


*Deckard Technologies **AirDNA

Short-Term Rentals in Tempe



Tempe Residential Properties	Percentage of Total Inventory	Estimated Inventory
Short-Term Rentals*	3.1%	1,150
Long-Term Rentals**	14.9%	5,500
All Residential Homes**	100%	36,952



*Deckard Technologies **City of Tempe

Current State: State Law



SB 1168 amended several state statutes relating to STR's: eff. Sept 24

Provisions	Before SB 1168	After SB 1168
Noise & Property Regulations	✓	✓
Emergency Contact Information	✓	✓
Emergency Contact may have to respond in-person		✓
Notify Neighbors of STR		✓
Liability Insurance		✓
City license/permit with fee		✓
City issued penalties for failure to obtain license		✓

Current State: Tempe Ordinance



Ordinance O2019.53

Provisions	Included in Tempe Ordinance
Owner Must Register with the City of Tempe	✓
Emergency Contact Information	✓
Emergency Information Posted Inside Property	✓
No Commercial Use	✓
No Housing Sex Offenders, Selling Liquor, Pornography or Adult-Oriented	✓
Owner Must Obtain Transaction Privilege Tax License	✓
Prohibited Commercial Use Posted Inside Property	✓

Current State: Noise & Property Regulation



**Tempe City Code: Article III: NUISANCE PARTIES &
UNLAWFUL GATHERINGS**

Tempe City Code: Chapter 20 – NOISE

**Tempe City Code: Chapter 21 – NUISANCES &
PROPERTY ENHANCEMENT**

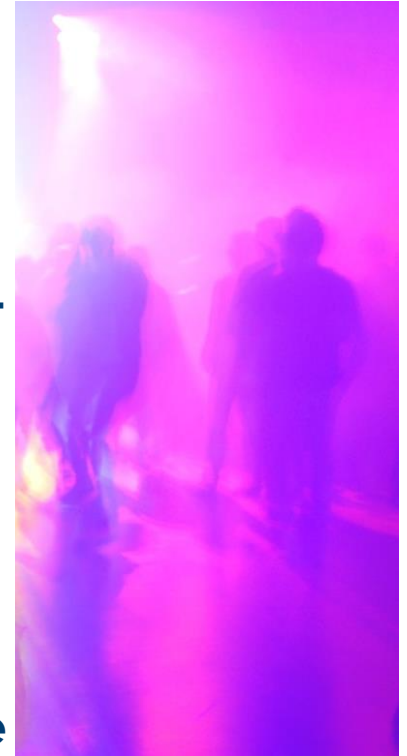
Civil penalties \$100 - \$1,000

Uncollected penalties: lien against property

Habitual offender: criminal misdemeanor

Complaints: Tempe 311 available via phone or online

After-Hour Complaints: Tempe PD Non-Emergency Phone



Current State: STR Compliance



Discovery

- Maricopa County Assessor
- Tempe Utilities
- ADOR Reports
- Citizen Complaints
- New STR Registrations in Accela

Research

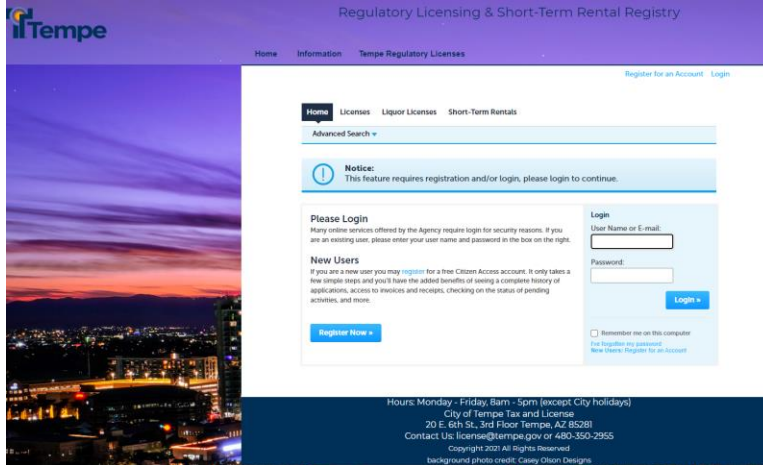
- Confirm Non-Compliance

Notification

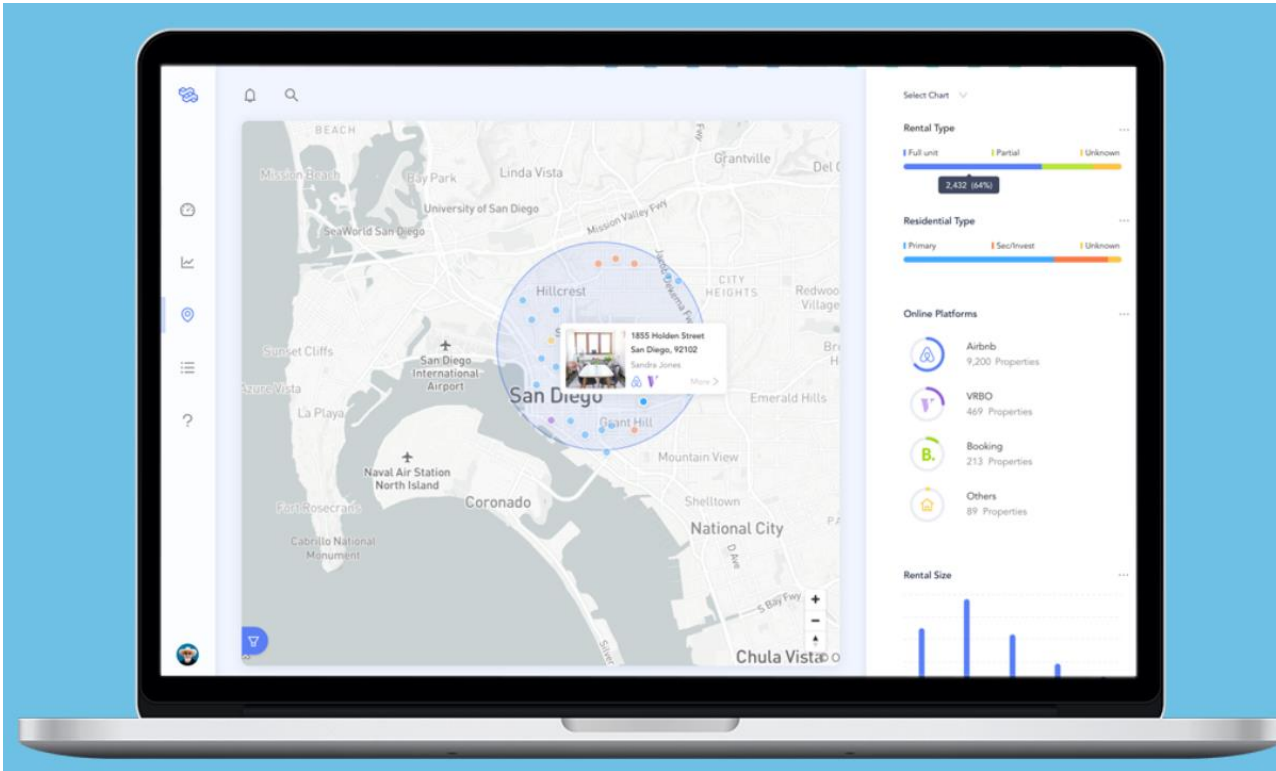
- 2-3 Notices
- Phone Calls
- Notify Code Enforcement

Audit & Collections

- License
- Assess
- Collect



Tempe's Short-Term Rental Registration Portal



Get Context

Orienting the situation by viewing a map layered with all identified properties provides good insight and context. Hover over each point and get more details, or filter out properties based on specific categories.

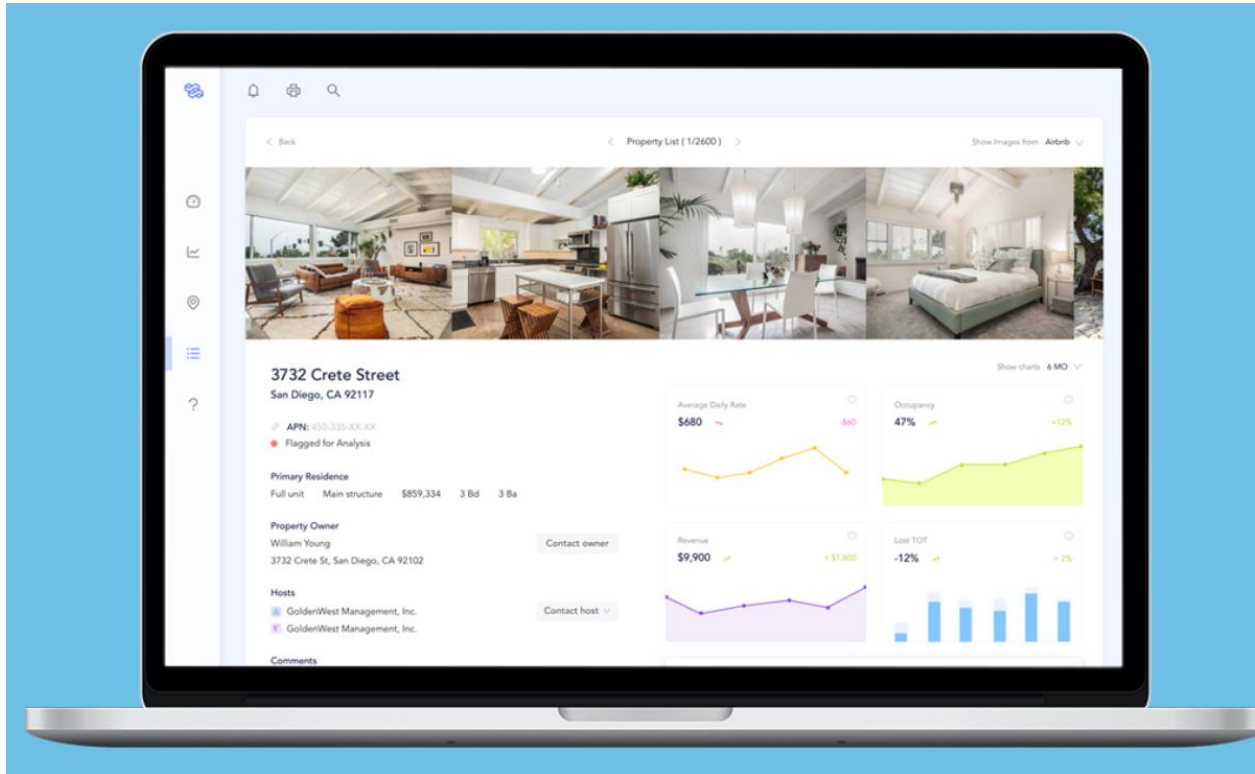


BY DECKARD TECHNOLOGIES

Show All

Want to see a list of identified properties? The user has the option to view properties in a table to scan results grouped by Active Owners, Active Hosts. Or, you can view everything we've found.

ACTIVE OWNERS	ACTIVE HOSTS	ALL					
ADDRESS	STATUS	OWNER	OWNER ADDRESS	OCCUPANCY	ADR	REVENUE	URL
48 Crest Line Park , 92110	Registered	Kenneth Williams	48 Crest Line Park, San...	66%	\$123	\$5,016	
0386 School Way , 92145	1st Notice	Paul Brown	550 High Crossing Ave...	39%	\$295	\$7,051	
2619 Toban Terrace , 92149	Registered	Susan Rodriguez	1 Bay Street, San Diego...	12%	\$893	\$7,965	
63 Sunnyside Way , 92136	2nd Notice	David Wilson	63 Sunnyside Way, San...	30%	\$497	\$2,663	
0386 School Way , 92127	1st Notice	Sharon Davis	0386 School Way, San...	56%	\$842	\$7,875	
3307 Independence Circle , 92171	1st Notice	Carol Martinez	7 Schurz Lane, San Die...	72%	\$511	\$3,624	
4144 7th Plaza , 92140	Registered	Daniel Lee	4144 7th Plaza, San Die...	18%	\$449	\$9,164	
49485 Porter Drive , 92160	Not Registered	Donald Lopez	49485 Porter Drive, San...	28%	\$320	\$6,217	
1351 Sunnyside Way , 92111	1st Notice	Daniel Martinez	54 Badeau Junction, San...	82%	\$447	\$9,885	
616 Hoffman Crossing , 92159	1st Notice	Patricia Lopez	616 Hoffman Crossing, ...	82%	\$502	\$7,188	
20 Veith Hill , 92182	Registered	Susan Rodriguez	61172 Fieldstone Avenue, ...	80%	\$855	\$3,952	
01193 Roxbury Trail , 92136	Not Registered	Sharon Rodriguez	01193 Roxbury Trail, San...	39%	\$664	\$4,982	



Dig Deeper

Want to get more details about a specific STR property and its activities? We can show you public information about the property, its history, and where it's published. You can get even images of the posted ad.

Tempe vs Other Cities



Provisions	Tempe	Scottsdale	Paradise Valley	Glendale
Owner Must Register with the City/Town	✓	✓	✓	✓
Noise & Property Regulations	✓	✓	✓	✓
Emergency Contact Information	✓	✓	✓	✓
Emergency Contact may have to respond in-person	✓	✓	✓	✓
No Housing Sex Offenders, Selling Liquor, Pornography or Adult-Oriented	✓	✓	✓	✓
No Commercial Use	✓	✓	✓	✓
Owner Must Obtain Transaction Privilege Tax License	✓	✓	✓	✓
Owner Must Register Rental with Maricopa County Assessor	✓		✓	
Notify Neighbors of STR				
Liability Insurance			✓	
City license/permit with fee				
City issued penalties for failure to obtain license or other violations		✓	✓	

Items For Consideration:



- Should we look at creating a STR license?
- Should we assess penalties for non-compliance with licensing?
- Should we assess escalating penalties for noise and property compliance issues?

Questions?

salestax@tempe.gov

[Tempe.gov/shorttermrentals](https://tempe.gov/shorttermrentals)



Tempe

COMMUNITY SERVICES UPDATE

August 19, 2022

Back to School with Tempe Parks and Recreation

It's time to go back to school, and Tempe students are participating in afterschool programs at Tempe's three community centers.

Escalante Multi-Generational Center

Escalante's afterschool program began on August 1; kids have already engaged with the new aeroponics tower garden program and look forward to future S.T.E.M. robotics programming and interactions with Tempe police officers through a collaborative community engagement program. While the afterschool program has traditionally served youth grades 1 to 5, this school year is the first year of the now-permanent Kinder Kids program for kindergarten-age students with a lower staff-to-participant ratio. The past five years of the program were funded by gaming grants from multiple tribal communities. Tempe City Council supported permanent funding for Kinder Kids through the City's general operating budget supplemental process.

As fall approaches, the volunteer-coordinated afterschool flag football league will return for youth, grades 2 to 5. The free program is coordinated twice a year, in fall and in spring, with support from parents, Thew Elementary School, Arizona Black Law Enforcement employees, and Revived Fitness, LLC.

Image Credit:
Escalante Multi-Generational



Image Credit:
Escalante Multi-Generational

In addition to afterschool programming, the Early Childhood Education program will begin later in fall. Registration is full for the following programs:

- * Tiny Tots for three and four-year-olds (Tu/Th);
- * Kinder Readiness for four and five-year-olds (Mon/Wed/Fri).



COMMUNITY SERVICES UPDATE

August 19, 2022

Lifeskills Enrichment Afterschool Program (LEAP)

Tempe's Adaptive Recreation Life Skills Enrichment Afterschool Program (LEAP) is underway at **Westside Multi-Generational Center**. During its 15+ years of programming, LEAP continues to provide afterschool programming for middle and high school-age students with intellectual and developmental disabilities. Through a partnership with the State of Arizona and the Division of Developmental Disabilities, the program serves students ages 12 to 22 who attend and receive special education services in Tempe-based schools. A partnership with Tempe Union High School District supports participant transportation needs.



Image Credit:
Tempe Adaptive Recreation

Community Partners

Afterschool programming at **North Tempe and Westside Multi-Generational Centers** is provided through a partnership with the Boys and Girls Clubs of the Valley. Both facilities have many participants with registration numbers increasing daily. This long-standing partnership provides high-quality, club-style programming for students attending Tempe schools.

Another community partner providing early childhood education at two City of Tempe community centers is the Maricopa County Head Start Program. Head Start is fully-enrolled with 28 children, including eight in the early Head Start program at North Tempe Multi-Generational Center. The County preschool program at Westside Multi-Generational Center continues to provide two early Head Start classrooms and one traditional Head Start classroom. The current program is fully-enrolled with 36 children.

Afterschool programming and services remain essential to the community by providing affordable, quality afterschool programs that align with the City Council's Quality of Life Strategic Priority.

Golf! Tempe Update

Closing out Fiscal Year 2022, enthusiasm for golf at Ken McDonald and Rolling Hills remains strong two years beyond the surge that began in the early months of the pandemic. While rounds have declined slightly (5%) from the very high numbers recorded during Fiscal Year 2021, both rounds and revenues are significantly higher than in pre-COVID years (see infographic on page 3).

COMMUNITY SERVICES UPDATE

August 19, 2022

