

## Short-term Rental Oversight Activity Continues

OHLA continues to work on short-term rental policy, including discussions about potential legislation in Cincinnati. OHLA and Cincinnati Hotel Association leaders and members have met with members of city council and key staff, provided detailed information including more than half a dozen of the best examples of effective and workable short-term rental legislation from local jurisdictions around the country, reports containing research and data, numerous court decisions, legal opinions and more than 400 pages of supporting documentation to help illustrate what has been learned about short-term rental oversight around the state and around the nation.

We are discussing short-term rental policy with other interested parties such as groups that advocate for affordable and available housing, and neighborhood organizations, to foster a collaborative approach. We will continue to take a positive approach to help ensure this part of our industry provides good and safe choices for guests, competes on a level playing field, and doesn't negatively impact neighbors and neighborhoods. Our efforts can help produce better policy for the community and for everyone involved in lodging and the travel economy.

Columbus recently passed its first short-term rental ordinance. That legislation contained helpful elements in terms of oversight of short-term rentals, including a permitting process. But it is also incomplete in some respects, and contains one provision which is particularly troubling to those interested in a fair and open process, potentially damaging to neighbors and neighborhoods, and opposed by OHLA and many member entities that we represent.

Without notice, discussion or debate, City Council included a literally "last minute" amendment which exempts hosting platforms such as Airbnb certain provisions of the code if those platforms enter into an "MOU" with the city about prescribed elements.

Our industry is concerned about the inclusion of an MOU process in the legislation, which was not included in the drafts, outlines, or any of the discussions prior to passage. Placing requirements on the hosting platforms in addition to hosts is a positive step. Exempting the platforms is very problematic. If the MOU process is not open to public input and scrutiny before agreements are final, this provision would seem to subvert much of that was discussed during the legislative process. Some of the information related to data sharing are necessary for enforcement purposes.

OHLA continues to discuss the impact of the language and the anticipated next steps for short-term rental oversight with various officials in Columbus.

## Federal Per Diem Rates Trigger Cleveland Action

The U.S. General Services Administration published federal per diem rates for government travelers for FY 2019 on August 15, 2018. The max lodging rate for Cleveland was cut from \$141 to \$131. Cincinnati, Columbus, and other Ohio destinations lodging per diems were increased – Cincinnati's to \$142. The new rate is scheduled to take effect beginning Oct. 1, 2018.

GSA bases rates on a survey of 27 hotels during a period from April 2017 to March 2018 (list attached). However, hotel occupancy and rates in the Cleveland market have increased every month in 2018, and year-to-year from 2017.

After a short decrease, after the RNC in 2016, Hotel daily rates and hotel occupancy in the Cleveland destination are steadily increasing every month in 2018:

MONTH	2018 YTD ADR	2018 YTD OCC %
JUL 18	106.18	62.1
JUN 18	105.24	60.0
MAY 18	103.31	57.0
APR 18	101.93	54.6
MAR 18	100.42	52.5
FEB 18	97.28	48.6
JAN 18	96.56	45.7

Rates in downtown Cleveland hotels are already between \$189 and \$369 per night for a midweek stay, according to an OHLA survey of hotels in August 2018.

The effective period of the FY 2019 per diem rate includes another period of exceptional activity in the Cleveland market, including the Major League Baseball All-Star Game, and other events which will greatly increase rates and occupancy. A lower per diem rate for FY 2019 will negatively impact federal travelers who may encounter additional expense, or lack of availability at preferred hotels.

OHLA is working with hotels in the Greater Cleveland Lodging Council, Destination Cleveland, and federal agencies to address the per diem decrease.

GSA requires the affected federal agencies to contact GSA directly, using a prescribed process, to trigger a special review of per diem rates. Those agencies must show specific impacts, including:

- Specific properties where federal travelers stay while on temporary duty travel
- Properties that will not honor the Federal lodging per diem rate
- The number of times actual expenses were used and/or Federal travelers had to use another lodging facility to stay within the maximum allowable lodging per diem rate, which resulted in additional transportation expenses (rental car, taxi, etc.) being incurred

OHLA has provided information to appropriate federal officials and will have a local lodging council meeting on September 28 to discuss the issue.

## **National Legislative Action Summit**

OHLA leaders and members are traveling to the nation's capitol for the AHLA/AAHOA Legislative Action Summit on Sept. 12-13. As of deadline, at least 17 Ohio participants will meet with lawmakers and staff on Capitol Hill, attend briefings on topics important to hotel and lodging businesses, and meet with industry leaders, brand executives, and other partners from around the nation. A VIP tour of the Capitol building itself is also featured.