



Office of the City Manager

CONSENT CALENDAR

MAY 19, 2026

To: Honorable Mayor and Members of the City Council

From: Paul Buddenhagen, City Manager

Submitted by: Henry Oyekanmi, Director, Finance

Subject: Contract: Granicus for Short-Term Rental Monitoring and Tax Compliance

RECOMMENDATION

Adopt a Resolution authorizing the City Manager to execute a contract with Granicus for short-term rental monitoring and tax compliance in an amount not to exceed \$450,000 for the term of June 1, 2026 to May 31, 2029 with an option to extend 2 years for an additional \$350,000 for a total NTE amount of \$800,000. The City will piggyback off OMNIA cooperative agreement Region 14 ESC – TX 159768

FISCAL IMPACTS OF RECOMMENDATION

The cost of the contract is not to exceed \$450,000 and will bring in a projected \$4.2M in revenue over the first 3 years.

CURRENT SITUATION AND ITS EFFECTS

The City brings in approximately \$1,400,000 per year in short term rental taxes due to this software monitoring the short-term rental sites and ensuring tax compliance.

Effective January 1, 2026, local agencies are required to satisfy noticing requirements for certain contracts for services that meet the criteria outlined in Government Code Section 3504.1 as amended by AB 339. This project does not meet the criteria in Government Code Section 3504.1 and is exempt from the noticing requirement.

BACKGROUND

Many cities, including Berkeley, have seen an increase in short-term rentals (“STR”) facilitated by online rental platforms, such as AirBnB, FlipKey, HomeAway and VRBO. Short-term rentals were prohibited in Berkeley, until the Council passed Ordinance No. 7,521-N.S. adding BMC 23.314. With the new ordinance, the City needed a way to regulate STR’s and ensure they were compliant with the required transient occupancy tax (“TOT”) and other fees as stipulated in the adopted ordinance. The software services provided by Granicus are needed to identify, tax and regulate short-term rentals. Additionally, the expanding technology-enabled STR market and the various platforms it uses requires continuous monitoring by a professional firm or individual utilizing custom made software to enable the City to accomplish its goals.

ENVIRONMENTAL SUSTAINABILITY AND CLIMATE IMPACTS

There are no identifiable environmental effects or opportunities associated with this contract.

RATIONALE FOR RECOMMENDATION

After reviewing several options, staff recommend continuing with Granicus and taking advantage of competitive pricing by piggybacking off OMNIA cooperative agreement Region 14 ESC – TX 159768

ALTERNATIVE ACTIONS CONSIDERED

None. This a software system that the City does not have the capacity to write or maintain.

CONTACT PERSON

Aundra Richards, Contract Administrator, Finance Department, 510-981-7324

Attachments:

1: Resolution

RESOLUTION NO. ##,###-N.S.

CONTRACT: GRANICUS FOR SHORT TERM RENTAL MONITORING AND TAX COMPLIANCE

WHEREAS, Granicus provides software services that monitors short-term rentals and ensures tax compliance that brings in a projected \$1.4M in revenue per year; and

WHEREAS, the software services provided by Granicus are necessary to ensure that short-term rentals facilitated by online rental platforms, such as AirBnB, FlipKey, HomeAway and VRBO comply with the City's Short-Term Rental Ordinance; and

WHEREAS, the City can piggyback off the OMNIA cooperative agreement Region 14 ESC – TX 159768 to receive the best pricing available; and

WHEREAS, funding in the amount of \$450,000 is available for the first three years and \$350,000 for the additional two-year option, in the General Fund; and

WHEREAS, this contract is exempt from the noticing requirements set forth in Government Code Section 3504.1.

NOW THEREFORE, BE IT RESOLVED by the Council of the City of Berkeley that the City Manager is authorized to execute a contract with Granicus for Short term rental monitoring and tax compliance in an amount not to exceed \$450,000 for the term of January 1, 2026 to June 30, 2029 with a two year option to extend through June 30, 2031 for an additional \$350,000 for a total NTE amount of \$800,000 over five years. The City will piggyback off OMNIA cooperative agreement Region 14 ESC – TX 159768

