

Short-Term Rentals Ordinance Amendments

City Council

June 6, 2023

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Short Term Rentals Ordinance Amendments

- Revise and add new definitions and policies
- Incorporate technical changes including reorganization and the addition of clarifying language to improve functionality and aid in implementation and enforcement
- Review community feedback received since August 2022

What is a Short-Term Rental?

Short-Term Rentals (STRs) are the rental of a private residence for less than 30 days



Hosted STR: The homeowner lives and sleeps on site during the STR period.



Non-Hosted STR: The homeowner does not live and sleep onsite during the STR period.

- **Prior to 10/13/2021** - No regulations for STRs, other than prohibiting in most accessory dwelling units, and requiring Transient Occupancy Tax (TOT) and Business Improvement Area (BIA) assessments
- **8/10/2021 and 9/14/2021** - Economic Development Subcommittee directed staff to regulate STRs
- **8/2021 and 9/2023** - Online community survey and virtual public meeting
- **10/13/2021** - City Council adopted Ordinance No. ORD-2021-011 to add Chapter 20-48, Short-Term Rentals to the Zoning Code
- **5/17/2022** - Economic Development Subcommittee directed staff to bring forward amendments to stop accepting new non-hosted applications and clarify code enforcement

- **08/09/2022** City Council adopted Ordinance No. ORD-2022-008 and Resolution RES-2022-177 to set a maximum number of 198 non-hosted STRs, clarify enforcement penalty information, and establish a STR Permit renewal fee
- **9/23/2022 to 12/18/2022** – Online community survey
- **10/2022 and 12/2022** – Pop-up events throughout the City
- **11/14/2023 and 12/12/2023** – Virtual community meetings
- **11/16/2023** – Santa Rosa Tourism Business Improvement Area Advisory Board meeting
- **04/27/2023** – Planning Commission Public Hearing

Current STR Standards and Requirements

Permit Requirement

198 Non-Hosted Short-Term Rental Permits Citywide

1000' Separation Between “New” Non-Hosted Short-Term Rentals

Overnight Guests = Two per Bedroom (Maximum of 10)

Daytime Guest Allowance = $\frac{1}{2}$ # of Overnight Guests

Parking Requirements = One Space per Bedroom

Quiet Hours = 9 p.m. to 8 a.m. and no Outdoor Amplified Sound

Fire and Life-Safety Requirements

Events Prohibited

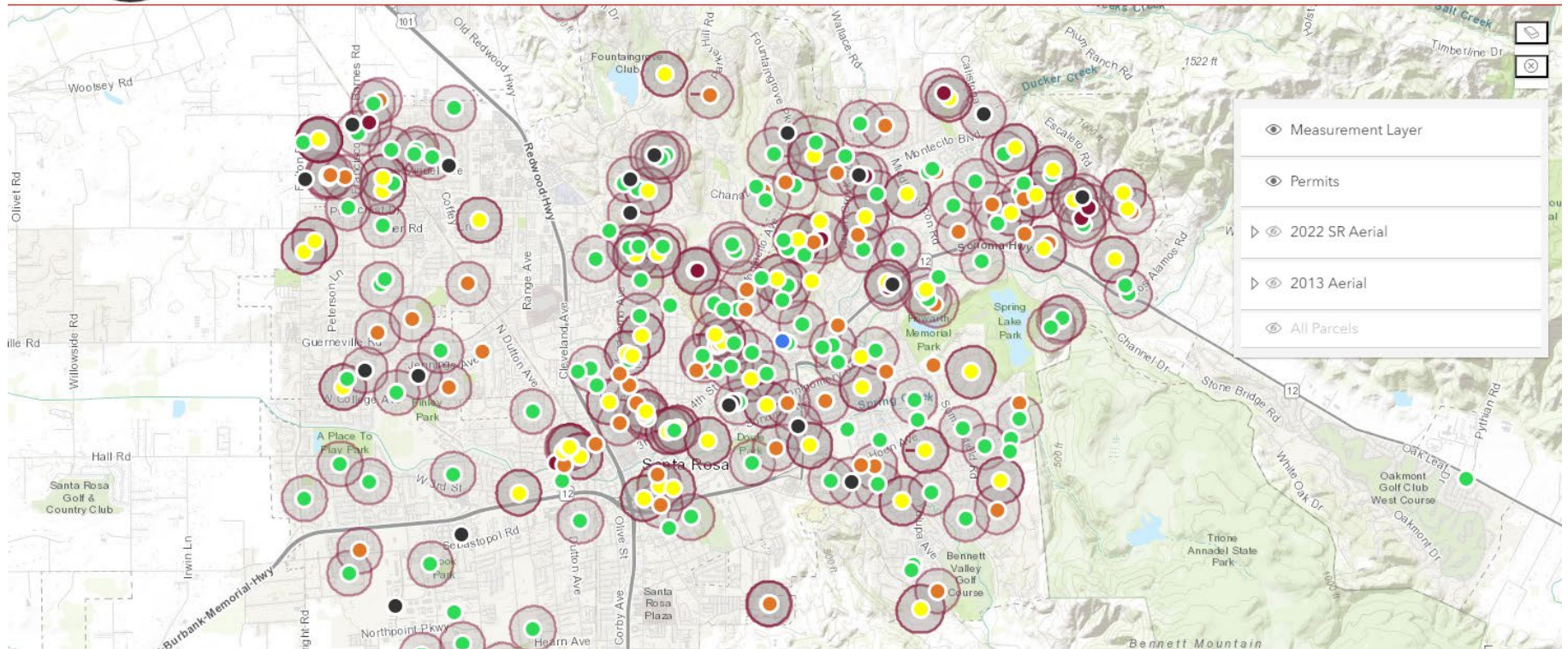
Neighbor Notification

Current Code Enforcement Penalties

Initial Complaint Directed to 24/7 Contact

Enforcement Penalties		
First Violation	Second Violation Within One Year	Third Violation Within One year
\$500	\$1,000	\$2,000 with Permit Revocation and/or Loss of Operator in Good Standing Status

Short-Term Rentals Locations and Search Tool



<https://SRCity.org/STRSearch> or visit srcity.org/STR and select “Search STR Permits”

STR Permits as of May 15, 2023:

	Approved / Issued	Pending / In Plan Review	Denied	Withdrawn	TOTAL PERMIT APPS
Hosted	59	18	1	7	85
Non- Hosted	171	15	8	15	209
TOTAL	230 (78%)	39 (13%)	9 (3%)	22 (8%)	291

- 72 renewal applications received
- 4 non-hosted and 1 hosted located in a non-residential zoning district
- As of 2021, the City had 69,495 residential units - less than 1% are STRs

Code Enforcement Status as of May 15, 2023:

- STR related complaints received: 295
- Enforcement cases closed: 280
- Enforcement cases open: 15
- Administrative citations issued: 136
 - ✓ First citation: 98 at \$500
 - ✓ Second citation: 25 at \$1,000
 - ✓ Third citation: 13 at \$2,000
- Assessed penalties: \$100,000

- Section 20-48.010, Purpose.
 - ✓ Technical changes.
- Section 20-48.020, Application of this chapter.
 - ✓ Technical changes.
 - ✓ Clarify that requirements apply to STR owners, agents, local contacts, short-term renters, and daytime guests of short-term renters.
- Section 20-48.030, Definitions.
 - ✓ Technical changes.
 - ✓ Deletion of unnecessary terms.
 - ✓ Addition of definitions for: Renoticing Fee, STR Permit Application – New, and STR Permit Application – Renewal.

- Section 20-48.040, Short-Term Rental Permit requirements and limits.
 - ✓ **Permit requirements:** Technical changes and addition of unit type restrictions.
 - ✓ **Location requirements and permit limits:** Technical changes and addition of policy to limit owners to one hosted and one non-hosted permit.
 - ✓ **Initial application:** Technical changes, clarify application requirements, remove language related to Operators in Good Standing and New Operators.
 - ✓ **Duration of STR Permit:** Clarify that permits are valid for one-year and automatically void upon expiration but can be renewed.
 - ✓ **Annual Requirement:** Clarify renewal process, requirements, and limits.

- Section 20-48.040, Short-Term Rental Permit requirements and limits (*continued*).
 - ✓ **Neighbor notification:** Clarify notification and renotification requirements.
 - ✓ **Transferability:** Clarify non-transferability.
 - ✓ **Loss of Operator in Good Standing Status:** New section to clarify causes for loss of status.
 - ✓ **Denial:** Technical changes and addition of justifications for denial.
 - ✓ **Appeals:** Clarify appeal process.

- Section 20-48.050, Registration requirements.
 - ✓ Technical changes.
- Section 20-48.060, Occupancy and parking requirements.
 - ✓ Technical changes.
 - ✓ Clarify parking size requirements consistent with City standards.
- Section 20-48.070, Operating requirements (formerly Operational standards).
 - ✓ Technical changes.
 - ✓ Reorganize to include general and life safety operating requirements.
 - ✓ Add language for outdoor lighting, trash/recycling, water conservation, and exit, fire and emergency signage requirements.
 - ✓ Prohibit outdoor burning.

- Section 20-48.080, Enforcement.
 - ✓ Rewritten to clarify enforcement remedies and options and provide an overview of how complaints may be submitted.
 - ✓ New language:
 - ❑ Reenforces local contact failure to respond per requirements constitutes a violation of the permit;
 - ❑ Aligns penalties for STR violations with California Government Code provisions applicable to STRs, and indicates when and how such penalties shall be assessed; and
 - ❑ Establishes circumstances under which revocation proceedings are triggered and clarifies the types of violations that constitute verified violations for revocation proceedings.

Proposed Amendments - Changes After Planning Commission Hearing

- Section 20-48.030, Definitions.
 - ✓ Add language to clarify that Renewal Short-Term Rental Permit applications shall be submitted during the 60-day period prior to expiration of the issued Short-Term Rental Permit.
- Section 20-48.040, Short-Term Rental Permit requirements and limits.
 - ✓ Clarify timeframe for submitting Renewal Short-Term Rental Permit Applications.
 - ✓ Add language to clarify that all short-term rental activities must stop if Renewal Short-Term Rental Permit Application not received prior to expiration of existing Short-Term Rental Permit.

**These changes are consistent with the revisions
recommended by Planning Commission**

Zoning Code Text Amendment Findings

- Zoning Code Section 20-64.050(B) requires the following findings to be made for a text amendment:
 - ✓ The proposed amendment is consistent with the goals and policies of the General Plan, and any applicable specific plan.
 - ✓ The proposed amendment would not be detrimental to the public interest, health, safety, convenience, or welfare of the City.
 - ✓ The proposed amendment is internally consistent with other applicable provisions of this Zoning Code.
 - ✓ The proposed amendment has been reviewed in compliance with the California Environmental Quality ACT (CEQA).

Community Outreach and Engagement

- Community outreach and engagement August 2022 to present:
 - ✓ Focus group meetings with industry representatives and neighborhood individuals/groups
 - ✓ Public survey
 - ✓ Pop-up events
 - ✓ Two citywide meetings
 - ✓ Santa Rosa Tourism and Business Improvement Area meeting
 - ✓ Sonoma County Action Partnership Roseland Community Building Initiative meeting
 - ✓ KBBF live radio broadcast

Community Outreach and Engagement: Survey Results Summary

- Demographic information (respondents could choose all that apply):
 - ✓ 87% of respondents are full-time Santa Rosa residents
 - ✓ 76% own residential property in the City
 - ✓ 15% live in rental property in Santa Rosa
 - ✓ 22% own commercial property in the City
- STR Ownership (respondents could choose all that apply):
 - ✓ 87% are not STR owners
 - ✓ 13% own an STR in the City or another jurisdiction
- Living proximity to a STR (respondents could choose all that apply):
 - ✓ 17% live near a hosted STR
 - ✓ 36% live near a non-hosted STR
 - ✓ 21% do not live near a STR
 - ✓ 36% are unsure if they live near a STR

Community Outreach and Engagement: Survey Results Summary (*continued*)

- The existing cap of 198 non-hosted STRs citywide:
 - ✓ 63% responded that the cap should be unchanged or that fewer non-hosted STRs should be allowed
 - ✓ 35% responded that there should be no cap or that more non-hosted STRs should be allowed
 - ✓ 3% did not answer
- Should the City limit how many STRs an entity can own:
 - ✓ 68% responded yes
 - ✓ 29% responded no
 - ✓ 3% did not answer

Community Outreach and Engagement: Survey Results Summary *(continued)*

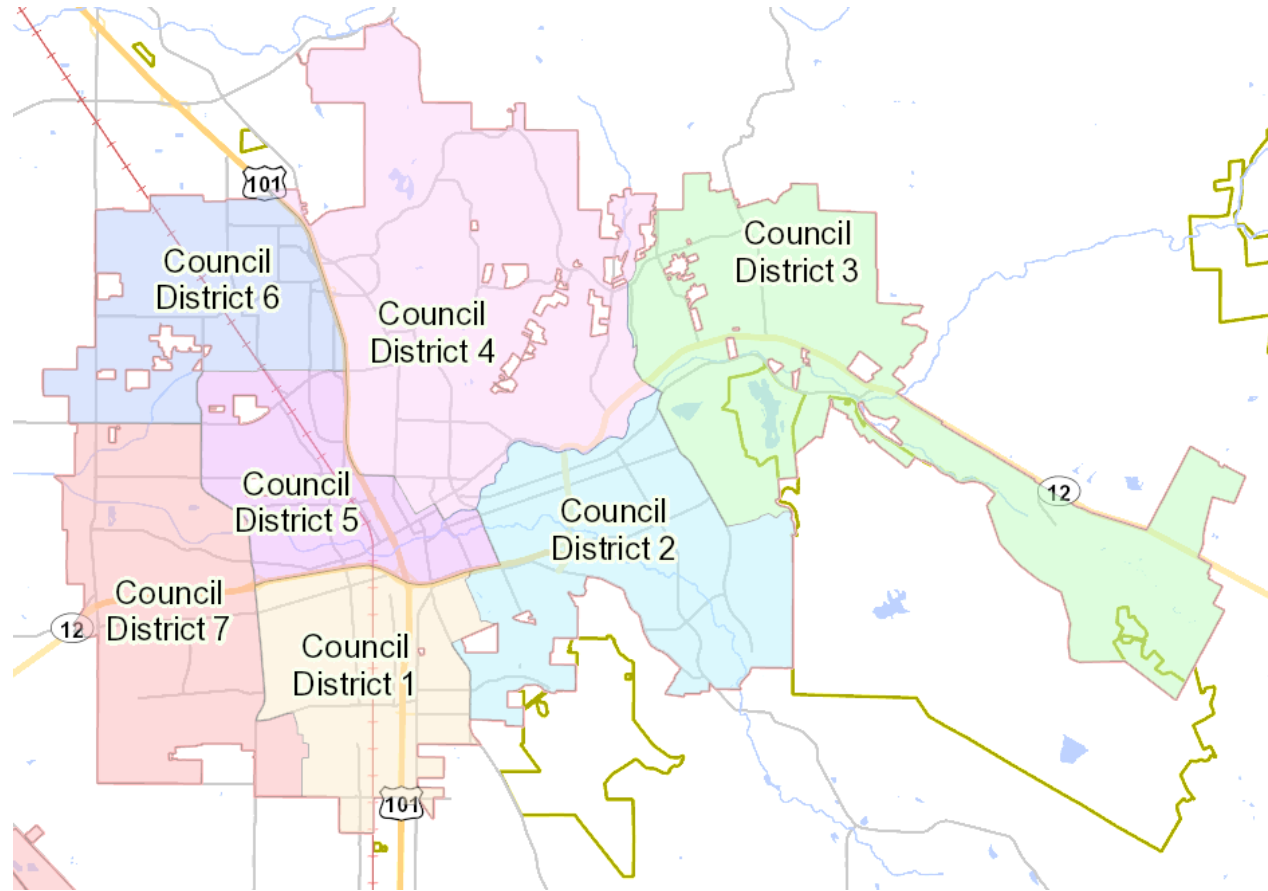
- The existing 1000-ft minimum distance between non-hosted STRs in single family dwellings:
 - ✓ 65% responded that the 1000-foot minimum distance should be unchanged or made larger
 - ✓ 29% responded that the 1000-foot minimum distance should be made smaller or eliminated
 - ✓ 5% did not answer
- The existing 1000-ft minimum distance between new non-hosted STRs in single family dwellings Downtown:
 - ✓ 60% responded that the required minimum distance should be the same as citywide
 - ✓ 35% responded that the required minimum distance should be less Downtown
 - ✓ 5% did not answer

Community Outreach and Engagement: Survey Results Summary *(continued)*

- The 1000-ft minimum distance between non-hosted STRs in multi-family units citywide and Downtown:
 - ✓ 66% responded that multi-family units should be separated by 1000-feet, more than 1000-feet, or not allowed in multi-family units
 - ✓ 29% responded that the required distance should be less than 1,000-feet or removed entirely
 - ✓ 6% did not answer
- Code enforcement penalties:
 - ✓ 75% responded that the existing penalties are adequate or not harsh enough
 - ✓ 19% responded that they are too harsh
 - ✓ 6% did not answer

Community Outreach and Engagement: Results Summary *(continued)*

- Council district in which respondents live:
 - ✓ 1: 4%
 - ✓ 2: 12%
 - ✓ 3: 11%
 - ✓ 4: 33%
 - ✓ 5: 6%
 - ✓ 6: 6%
 - ✓ 7: 5%
- 10% of respondents do not live within City limits, and 10% did not respond



Community Outreach and Engagement: Advantages Sited

- ✓ Economic benefits (TOT and potential for related activities to increase sales tax).
- ✓ Positive impact on businesses that support STRs.
- ✓ Provide a good investment opportunity.
- ✓ Positive impact on tourism (helping Santa Rosa remain attractive and affordable market).
- ✓ STR guests frequently visit local attractions/businesses/restaurants.
- ✓ Offer alternative lodging for traveling families and professionals.
- ✓ Allows individuals to keep their homes in challenging economic times.
- ✓ Non-hosted STRs provide greater income/flexibility than long-term rentals.
- ✓ Non-hosted STRs allow families/individuals who live in different places for periods of the year to make money while they are away.

Community Outreach and Engagement: Disadvantages Sited

- ✓ Non-hosted STRs are hotels/businesses otherwise not allowed in residential.
- ✓ 1000-foot non-hosted separation did not apply to Operators in Good Standing so has not reduced overconcentration.
- ✓ STRs not subject to same degree of inspections and restrictions so have an unfair advantage over other lodging types.
- ✓ Each STR potentially removes a residential unit that could be used by someone/a family hoping to live full-time in the community.
- ✓ STRs inflate real estate prices, but neighbors wanting to sell must disclose a STR nearby – potentially negatively impacting home values.
- ✓ Possibility that non-hosted could turn into an incident requires neighbors to be constantly on alert.

Community Outreach and Engagement: Disadvantages Sited (*continued*)

- ✓ STRs can pit neighbors against neighbors.
- ✓ STRs have negative effect on neighborhood cohesiveness and character.
- ✓ STR owners making money at expense of neighbors' ability to peacefully enjoy their homes/outdoor spaces.
- ✓ Non-hosted STRs reduce community connections and reduce number of students in schools, community volunteers, and “regulars” at local businesses.
- ✓ Frequent turnover of guests damage feelings of community and safety – guests do not consider impacts on neighbors and do not keep same waking hours of surrounding homes.

- Based on community response, the following potential additional amendments have been identified:
 - ✓ Prohibit non-hosted STRs in residential zones.
 - ✓ Decrease, increase, or eliminate non-hosted STR cap.
 - ✓ Reduce or increase required non-hosted setback.
 - ✓ Provide alternative separation requirement for multi-family units.
- Staff and the Planning Commission are not recommending above changes.
 - ✓ Implementation may make existing permits filed/issued in good faith non-conforming
 - ✓ Staff has not received direction to make fundamental changes to the Ordinance
 - ✓ Suggestions would be major shift from adopted regulations

Planning Commission Review

- April 27, 2023: Planning Commission voted 4-2 to recommend proposed text amendments – motion included amendment to prohibit outdoor burning
- 4 Commissioners found amendments would provide additional and necessary clarification to regulations – no substantial changes recommended at this time
- Two dissenting votes on either side of the issue:
 1. Non-hosted STRs are like hotels and are not compatible in residential neighborhoods and are not consistent with the Zoning Code or General Plan.
 2. Interest in increasing proposed limitation on the number of non-hosted STR permits a single property owner can obtain from 1 to 3.
- Other comments not included in recommendation:
 - ✓ Include different fines for lesser violations.
 - ✓ Require minimum trash receptacle size.
 - ✓ Require minimum two-night stay.

California Environmental Quality Act

- Not a project as defined in CEQA Guidelines section 15378, as it has no potential for resulting in physical change to the environment, directly or indirectly.
- Not subject to the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Section 15060(c)(2) - The activity will not result in a direct or reasonably foreseeable indirect physical change in the environment.
- Exempt under CEQA Guidelines section 15061(b)(3) because it can be seen with certainty that there is no possibility that these Amendments or their implementation would have a significant effect on the environment.
- Exempt under CEQA Guidelines sections 15307 and 15308 because requiring a short-term rental permit program that imposes standards related to water conservation, refuse management, noise, outdoor burning and emergency evacuation serves to further protect natural resources and the environment.

Recommendation

It is recommended by the Planning Commission and the Planning and Economic Development Department that the City Council:

1. Introduce an ordinance amending the text of Title 20 of the Santa Rosa City Code, Chapter 20-48, Short-Term Rentals, to revise and add new definitions and policies, and to incorporate technical changes including reorganization and clarifying language to improve functionality and aid in implementation and enforcement.

- Shari Meads, Senior Planner
- Jessica Jones, Deputy Director-Planning
- Jesse Oswald, Chief Building Official
- Lou Kirk, Assistant Chief Building Official
- Paul Lowenthal, Division Chief Fire Marshal
- John Cregan, Police Chief
- Alan Alton, Chief Financial Officer
- Peter Martin, Deputy Director - Water Resources
- Raissa De La Rosa, Deputy Director - Economic Development

Short-Term Rentals webpage:
srcity.org/STR

Short-Term Rentals dedicated email address:
shorttermrentals@srcity.org