

Short-Term “Vacation” Rentals

Economic Development Subcommittee

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What is a Short-Term Rental?

Rental of a private residence for 30 days or less



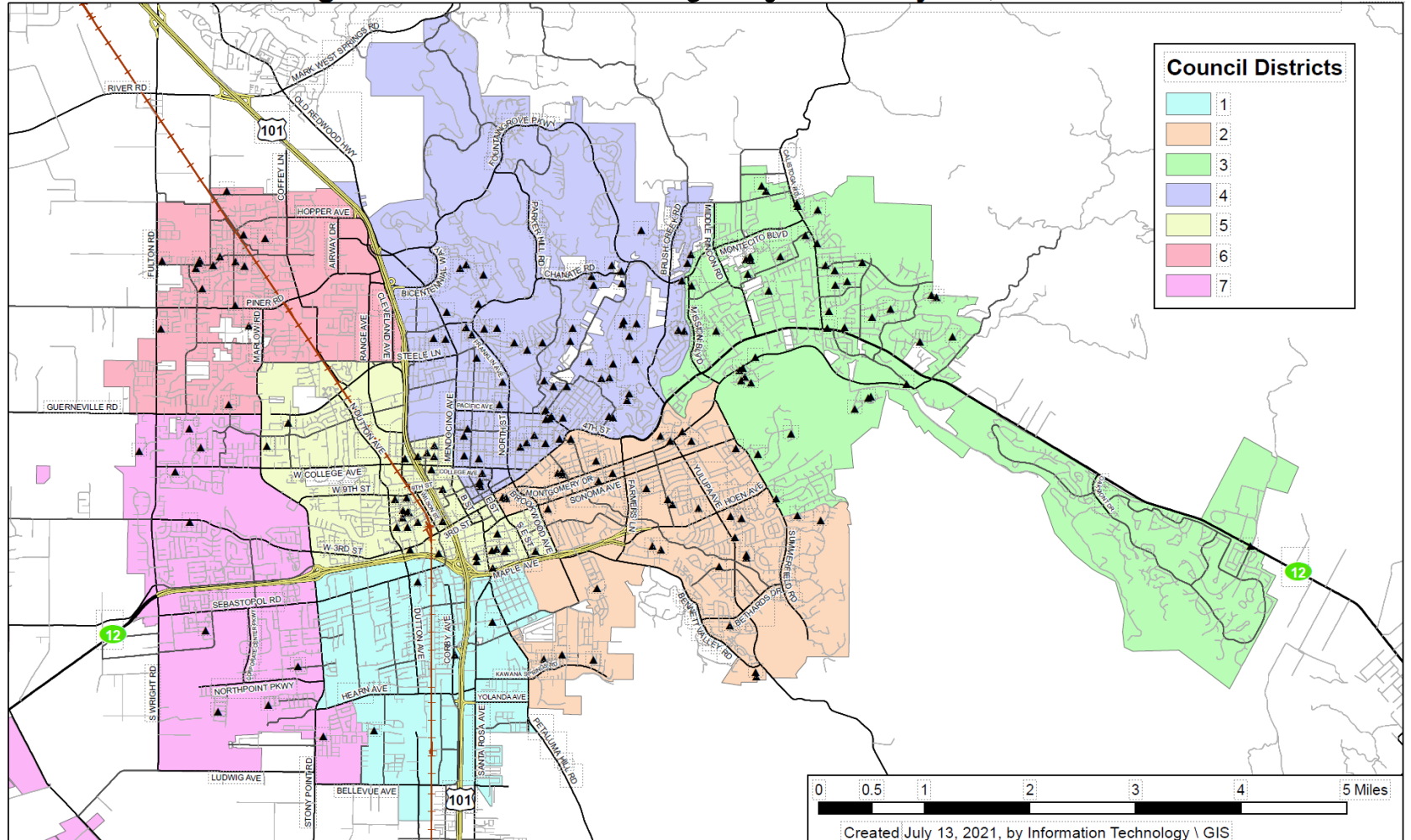
Hosted Short-term Rental: Rental of a single room or sleeping area within a single-family dwelling, where the property owner remains in residence.



Non-Hosted or “Whole House” Short-term Rental: Property owner is not in residence during the short-term rental period.



197 Registered Short-Term Rentals as of July 2021

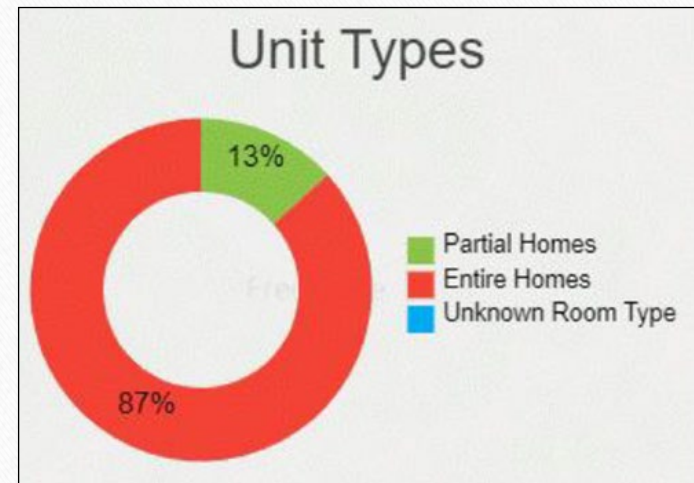
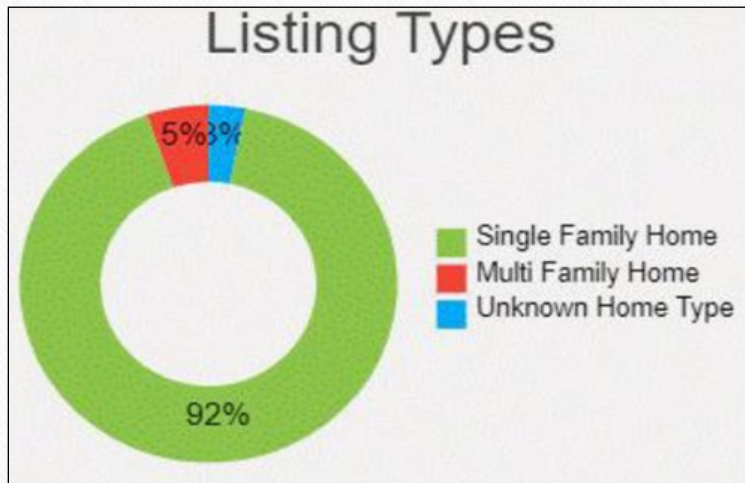


Revenue from 197 Registered Short-Term Rentals

- **Transient Occupancy Tax (TOT)**
 - 2020 \$261,850
 - 2021 (so far) \$ 94,488
- **Business Improvement Area (BIA) Assessment**
 - 2020 \$ 76,812
 - 2021 (so far) \$ 31,450

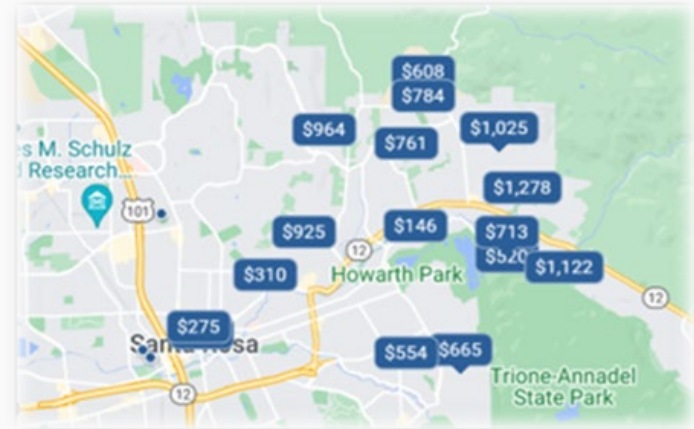
Short-Term Rental Market Details

358 Unique Short-Term Rentals Found by Web Scrape



161 Unregistered Short-Term Rentals

- \$225 Median Nightly Rate
- 76% Average Occupancy Rate
(277 nights per year)



Google search result for “Wine Country short-term rental” July 31, 2021

**Hypothetical
Gross TOT Revenue Recovery ~ \$900,000
and BIA Recovery ~ \$300,000**



Unregulated Short-Term Rentals Issues of Concern

Community Effects	Increased Calls to Police, Code Enforcement, and Fire Division
Renter Displacement	Noise, Trash, and Exterior Lighting
Super Hosts and Venture Capital Ownership	Parking
Decrease Available Housing Stock	Events and Party Houses
Overconcentration and Commercialization of Residential Neighborhoods	Potentially Difficult to Contact Transient Renters
Uneven Playing Field Between Other Lodging Providers and Short-Term Rental Owners	Evacuation Impacts
Tension Between Short-Term Rental Owners and Neighbors	Open and Unattended fires

How Bad Can it Get?

During June and July
more than 30
complaints were
received from 14
neighbors of one
short-term rental



Photo submitted by neighbor of a Non-Hosted Short-Term Rental

Policy Considerations

- **Permit Requirement and Fees**
- **Limit Total Occupancy, Day Guests, and Number of Vehicles**
- **Limit, Prohibit, or Require Temporary Use Permit for Events**
- **Initial and Annual Safety Inspections**
- **Annual Review and Renewal**
- **Overconcentration**
- **Prohibit in Certain Zoning Districts and Housing Types**
- **Limit Number of Rental Nights Allowed per Year**
- **Limit Number of STRs by Owner and Parcel**
- **Local Contact Available 24/7 and Complaint Response Within Predetermined Period**
- **Permit Number Included with all Advertisements**
- **Escalating Fine Structure for Violations**
- **Require Landline Phone Service**
- **Require Evacuation and Cancellation of STR at Evacuation Warning Stage**

Policy Considerations

- **Limit Outdoor Fires**
- **Extend Quiet Hours to Between 9 p.m. and 8 a.m.**
- **Creation of Guest Manual**
- **Notice to Adjacent Property Owners**
- **Require Screening of Outdoor Activity Areas**
- **Property Manager Certification**
- **Non-Transferability**
- **Biennial Sunset and Program Update**
- **Distinguish between Hosted and Non-Hosted Short-Term Rentals**
- **Require Business Tax Certificate Long Term (Requires Voter Approval)**

Enforcement

Responsibility

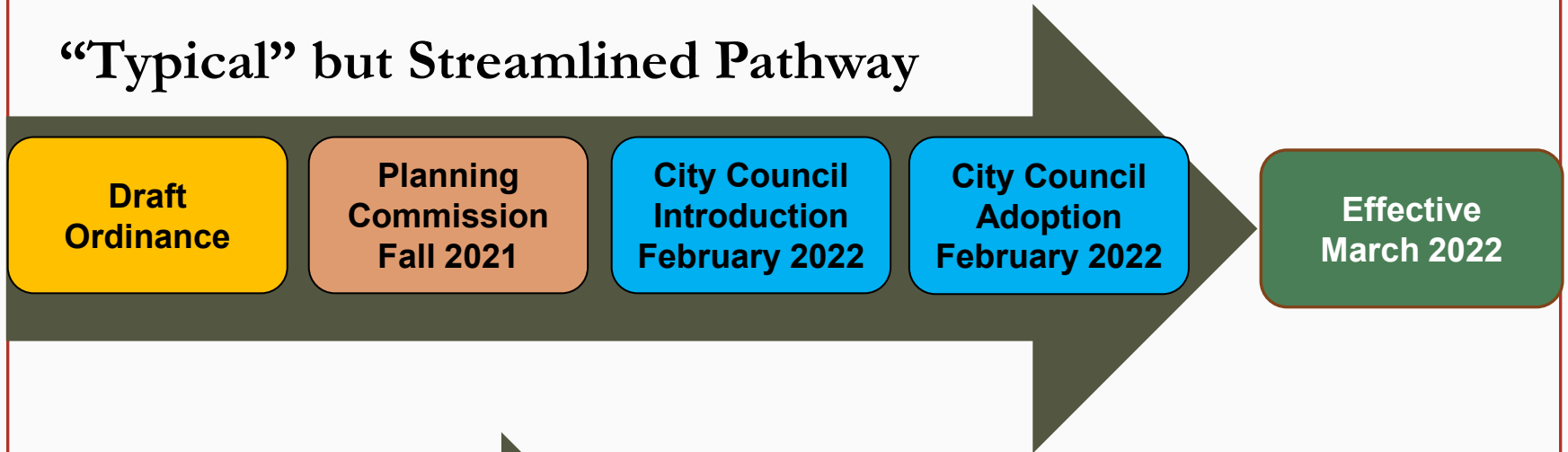
- Police
- Code Enforcement
- Planning
- Finance
- Third Party

Mechanisms

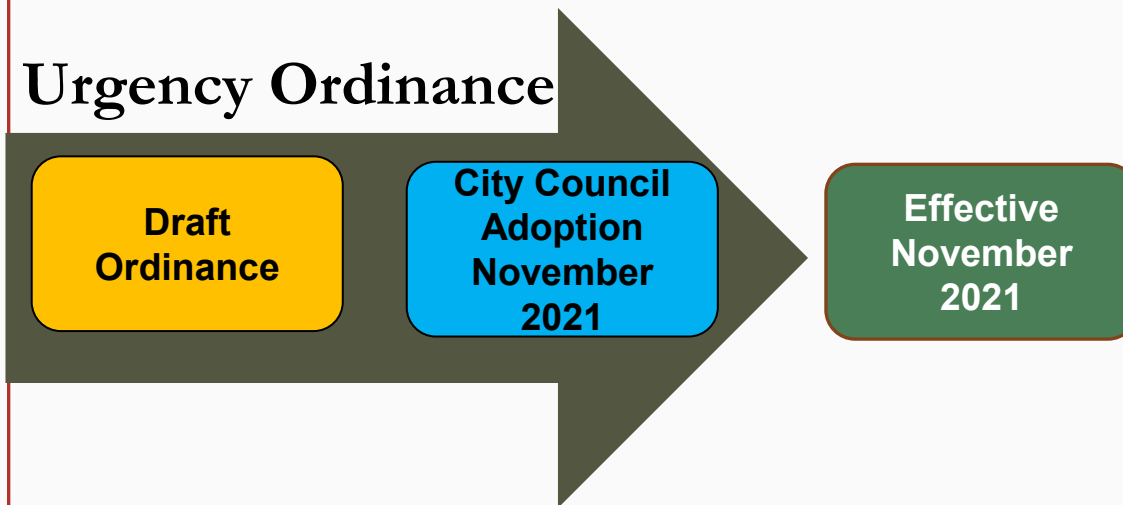
- Annual Review, Renewal and Inspections
- Increasing Financial Penalties
- Permit Revocation

Ordinance Pathway Options

“Typical” but Streamlined Pathway



Urgency Ordinance



Streamlined Ordinance

- Add Key Definitions
- Establish Approval Mechanism
- Add Operational and Locational Standards
- Add Enforcement Mechanisms/Penalties
- Look to Existing Regulations (i.e., Palm Springs, Petaluma, Marin) as Guides
- Includes Planning Commission Vetting

Urgency Ordinance

- Government Code Section 36937(b) allows an ordinance to take effect immediately, **if it is an ordinance for the immediate preservation of public peace, health or safety** and it contains a declaration of the facts constituting the urgency.
- Section 8 of the Santa Rosa City Charter authorizes the City Council to adopt an urgency measure to take effect immediately upon its adoption **if necessary to preserve the public peace, health or safety** if such ordinance contains the reasons for its urgency.
- **Requires a 5/7 Council vote** for adoption

Program Support

Staff Time:

- **Finance** – Collect TOT and BIA
- **Planning** – Permitting, Annual Renewal
- **Fire** – Initial and Annual Inspections
- **Code Enforcement** – Inspections, Compliance, Program Management

**Service Fees,
Inspections,
Permitting,
Penalties**

Third Party Support:

- **Address Identification** \$ 25.50
- **Compliance Monitoring** 13.50
- **Permitting and Registration** 13.97
- **Tax Collection** 13.97
- **24/7 Hotline** 10.80
- **Rental Activity Monitoring** 18.00

**Approximately
\$82.00 per unit
annually**

Short-Term Rental Advantages

Increase
Transient
Occupancy
Taxes (TOT)

Increase Sales
Tax Revenue

May Incentivize
Property
Maintenance

Provide
Lodging
Options

Provide
Income Source

Next Steps

Receive Economic Development Subcommittee Feedback

Continue to Receive Public Feedback



Ordinance Creation / Adoption



Ordinance Implementation and Enforcement

Questions and Feedback

<https://letsconnectsr.com/short-term-rental>

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