

Short-Term Rentals Urgency Ordinance

City Council

October 12, 2021

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Short Term Rentals Urgency Ordinance

- Provide a regulatory framework for short-term rentals that addresses accountability and enforcement
- Establish occupancy and operating standards to address life/safety and nuisance issues
- Preserve the City's limited housing stock
- Retain the residential characteristics of neighborhoods
- Facilitate the collection of TOT and BIA

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

City Staff Working Group

- Shari Meads, City Planner
- Clare Hartman, Interim Assistant City Manager
- Adam Abel, Assistant City Attorney
- Alan Alton, Deputy Director, Finance
- Amy Lyle, Supervising Planner – Advance Planning
- Andrew Trippel, Interim Supervising Planner – Current Planning
- Ashle Crocker, Assistant City Attorney
- Cecilia Muela, Assistant Chief Building Official
- Colin Close, Senior Water Resources Planner
- Jesse Oswald, Chief Building Official
- John Cregan, Police Captain
- Paul Lowenthal, Assistant Fire Marshal
- Raissa de la Rosa, Deputy Director, Economic Development



Outreach and Engagement

- **June 2021**, Short-Term Rentals dedicated email address:
shorttermrentals@srcity.org
- **June 2021**, Short-Term Rentals dedicated webpage:
<https://srcity.org/3625/Short-Term-Vacation-Rentals>
- **August 17-31, 2021**, Short-Term Rentals community survey
- **September 20, 2021**, Survey Responses Report published to webpage
- **September 22, 2021**, Montecito Heights Neighborhood Meeting
- **September 24, 2021**, Draft Ordinance posted to dedicated webpage, promoted via the City's social media accounts
- **September 29, 2021**, Industry-Focused Community Meeting

Economic Recovery Taskforce

Direction December 8, 2020

- Monitor the City's short-term rental situation, including collecting complaint and other data, and continue to review how other jurisdictions regulate short-term rentals.

What is a Short-Term Rental?

Rental of a private residence for 30 days or less

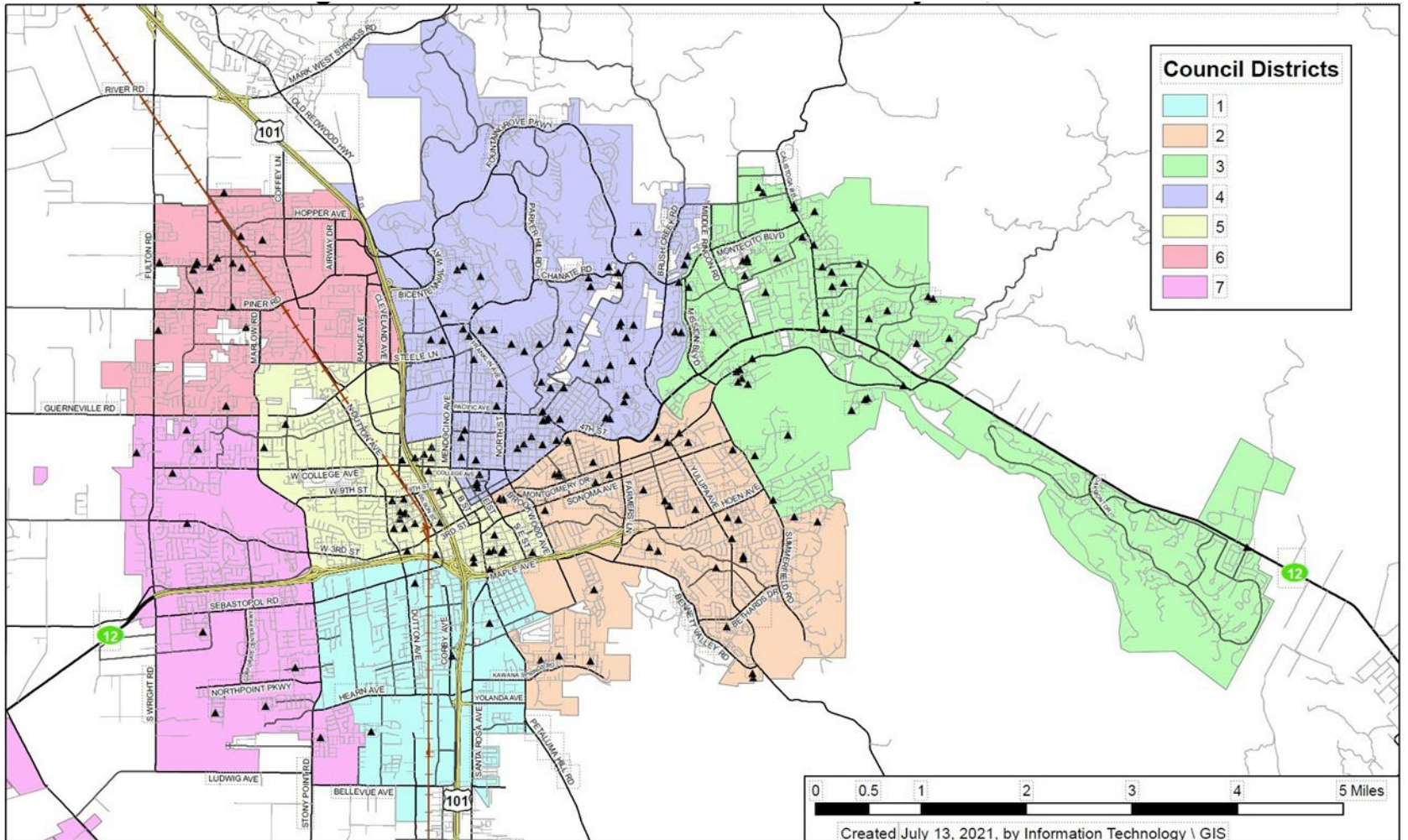


Hosted Short-term Rental: Rental of a single room or sleeping area within a dwelling unit, where the property owner remains in residence.



Non-Hosted Short-Term Rental: Property owner is not in residence during the short-term rental period.

197 Registered Short-Term Rentals as of July 2021

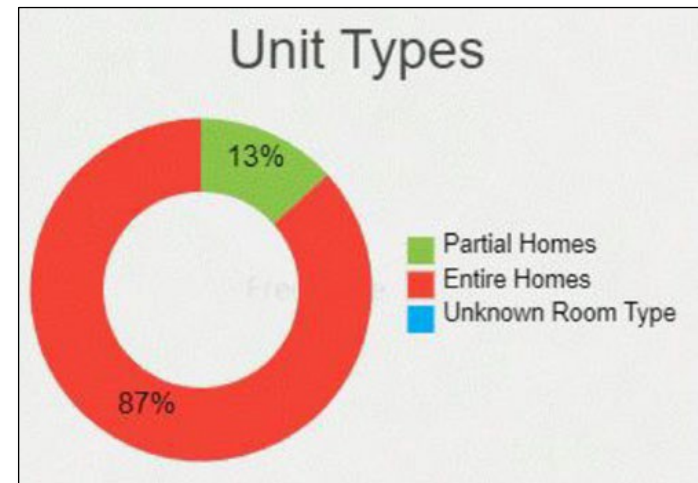
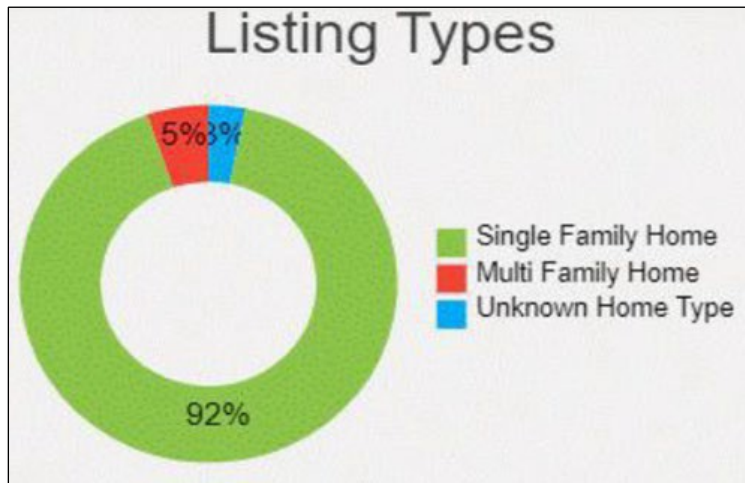


Revenue from 197 Registered Short-Term Rentals

- **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

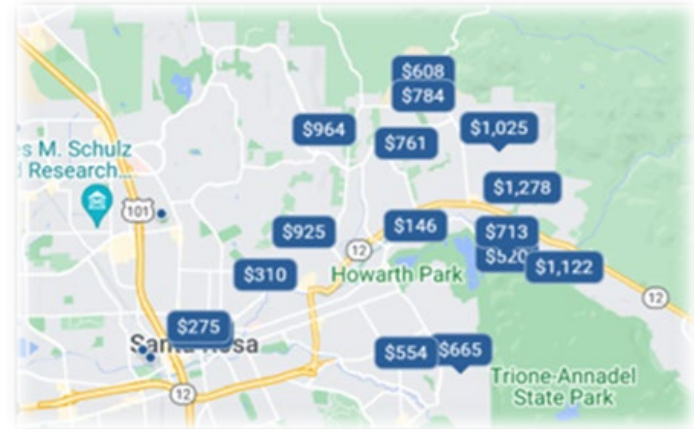
Short-Term Rental Market Details

**358 Unique Short-Term Rentals Found by
Web Scrape performed by Host Compliance**



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**

Short-Term Rental – Related Complaints

Community Effects	Increased Calls to Police, Code Enforcement, and Fire Divisions
Renter Displacement	Noise, Trash, and Exterior Lighting
Owners with Multiple Properties Absentee /Corporate Ownership	Parking
Decrease Available Housing Stock	Events and Party Houses
Overconcentration within Residential Neighborhoods and Loss of Cohesiveness/Character	Potential Difficulty Contacting Transient Renters
Discrepancies Between Other Lodging Types and Short-Term Rentals	Evacuation Impacts
Tension Between Short-Term Rental Owners/Guests and Neighbors	Open and Unattended Fires

Economic Development Subcommittee Direction August 10, 2021

- Prepare a comprehensive Short-Term Rental Urgency Ordinance for City Council review and action as soon as possible

City Staff Task Force

- Interdepartmental effort: Planning, Economic Development, Building, Code Enforcement, Police, Fire, Water, Finance, City Attorney's Office, Communications
- Meeting at least 2x week as a complete group; smaller additional meetings
- Issues related to the scope and contents of the initiative, implementation, and enforcement

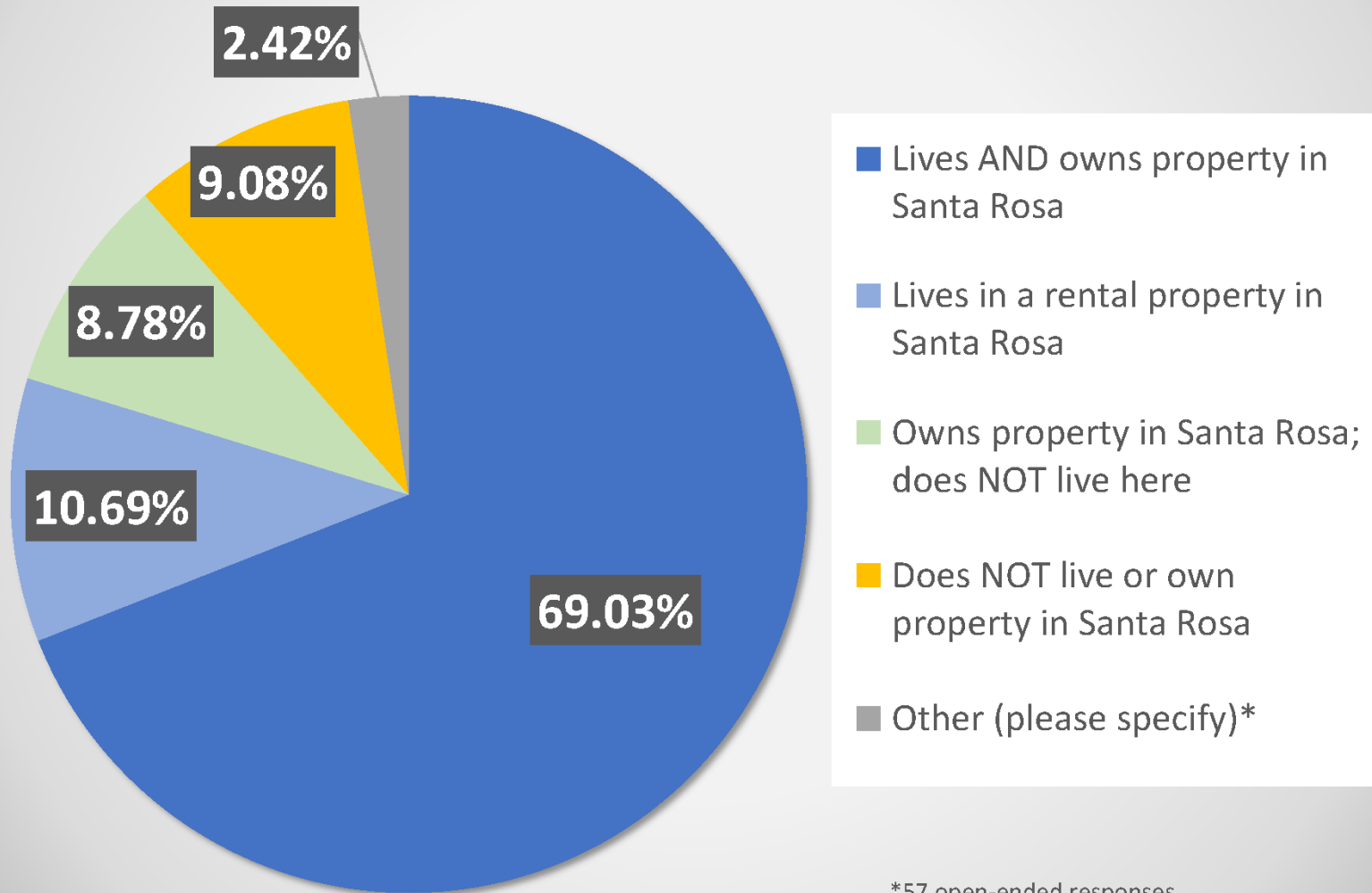
Short-Term Rentals Public Survey

August 17 – August 31

- 2,369 Total Respondents:
 - 13% who identified as Short-Term Rental Owner/Operators
- 1,719 Individual Comments in Addition to Multiple Choice Responses

Q1. Survey respondent's status within Santa Rosa City limits

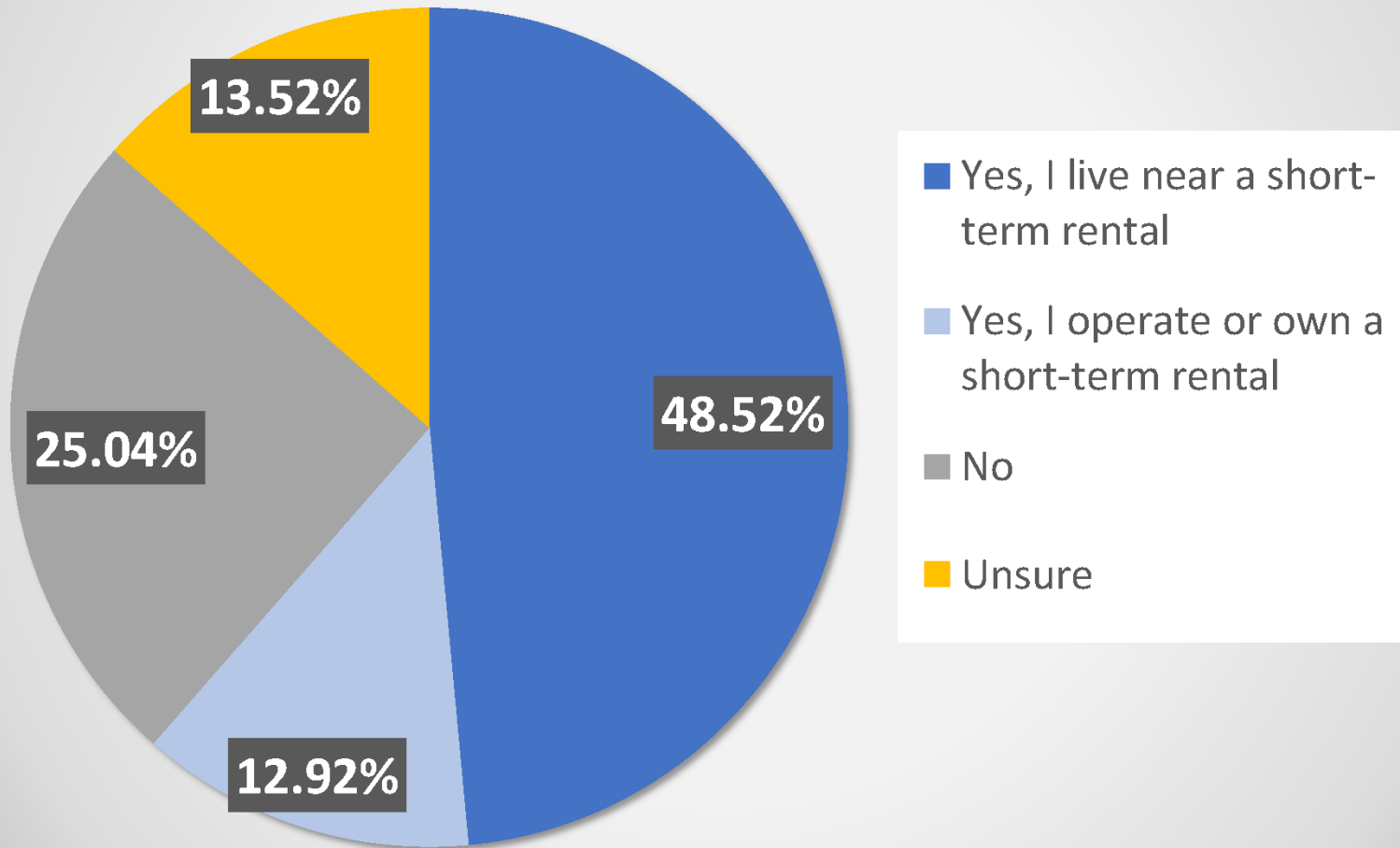
Total Responses: 2357



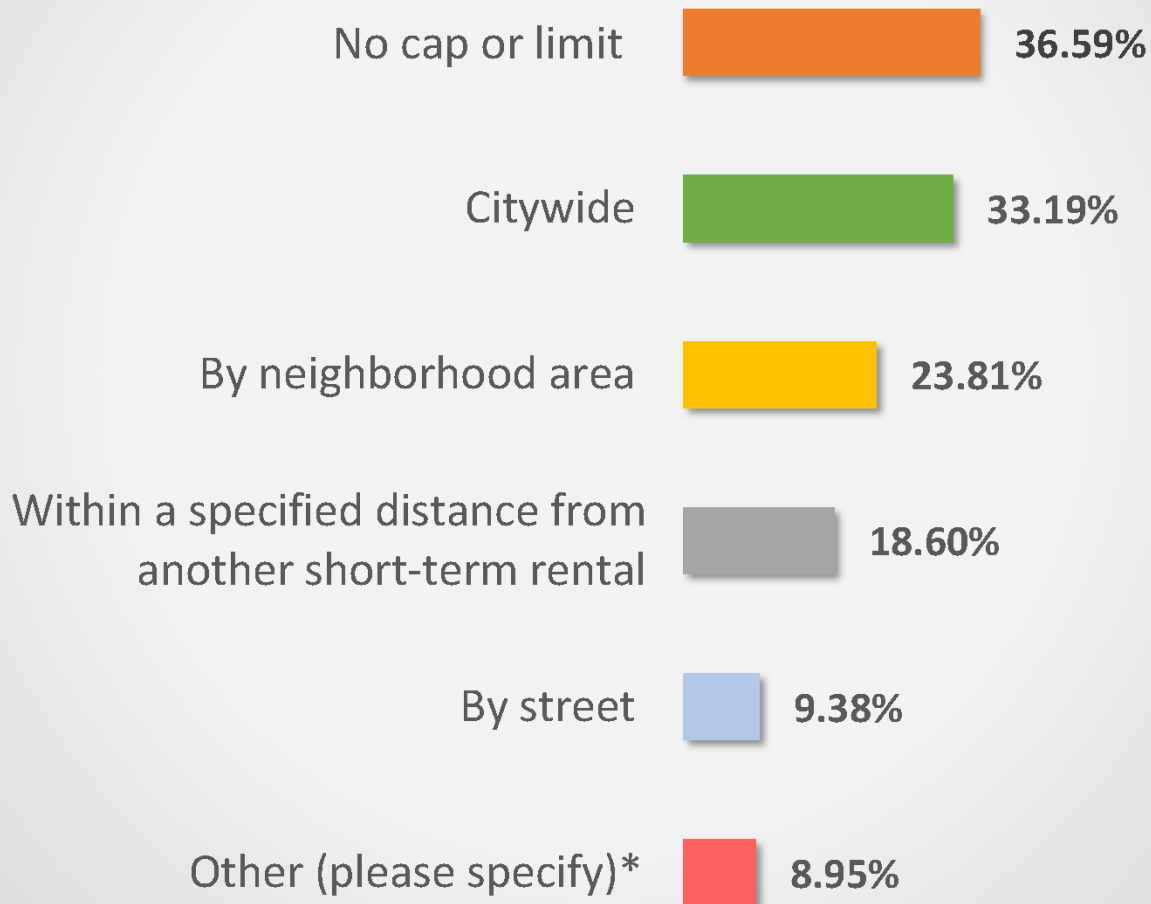
*57 open-ended responses

Q2: Do you currently live near or operate a short-term rental?

Total responses: 2360



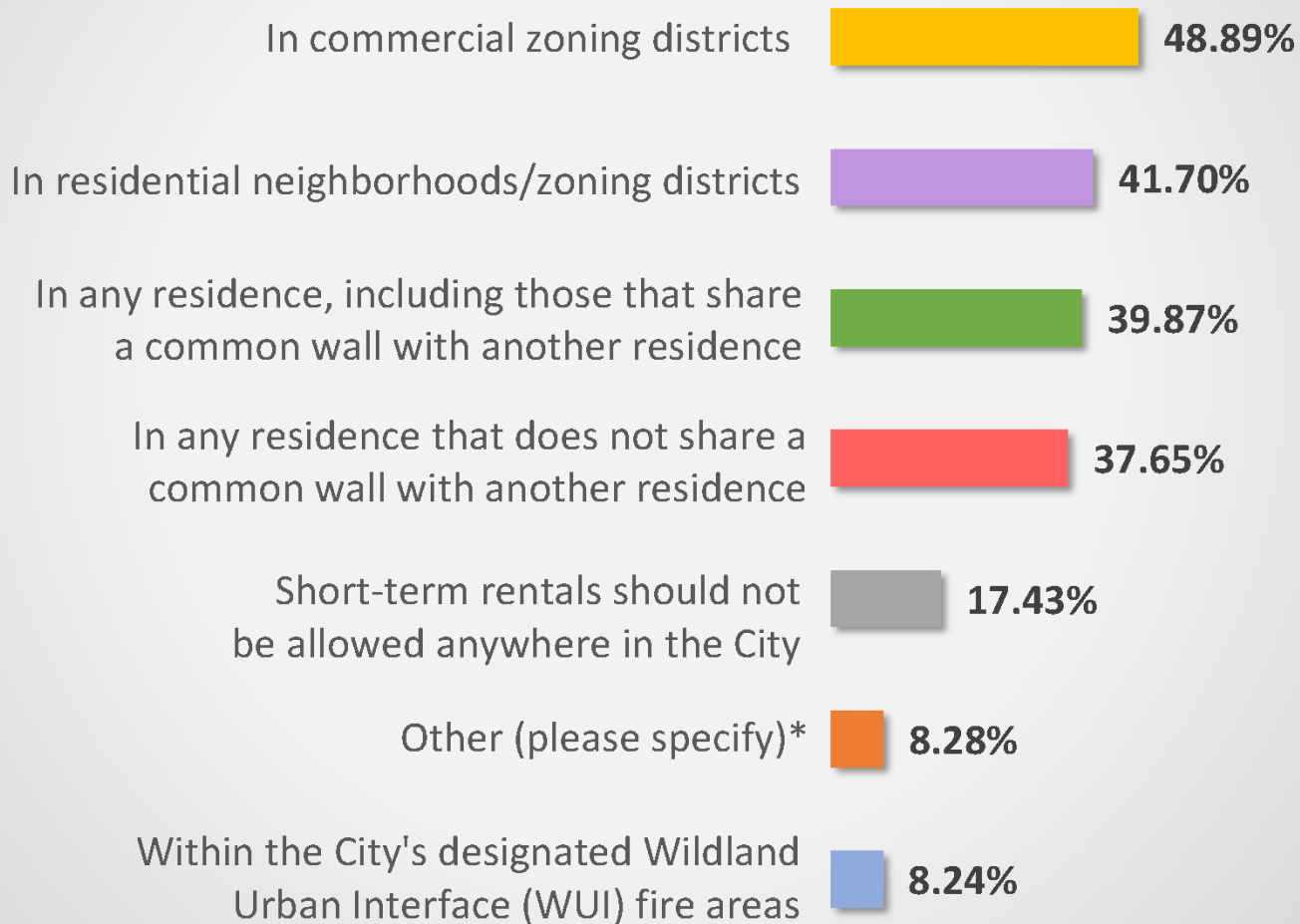
Q3. How should the City limit short-term rentals in Santa Rosa? (Check all that apply) Total responses: 2323



*205 open-ended responses

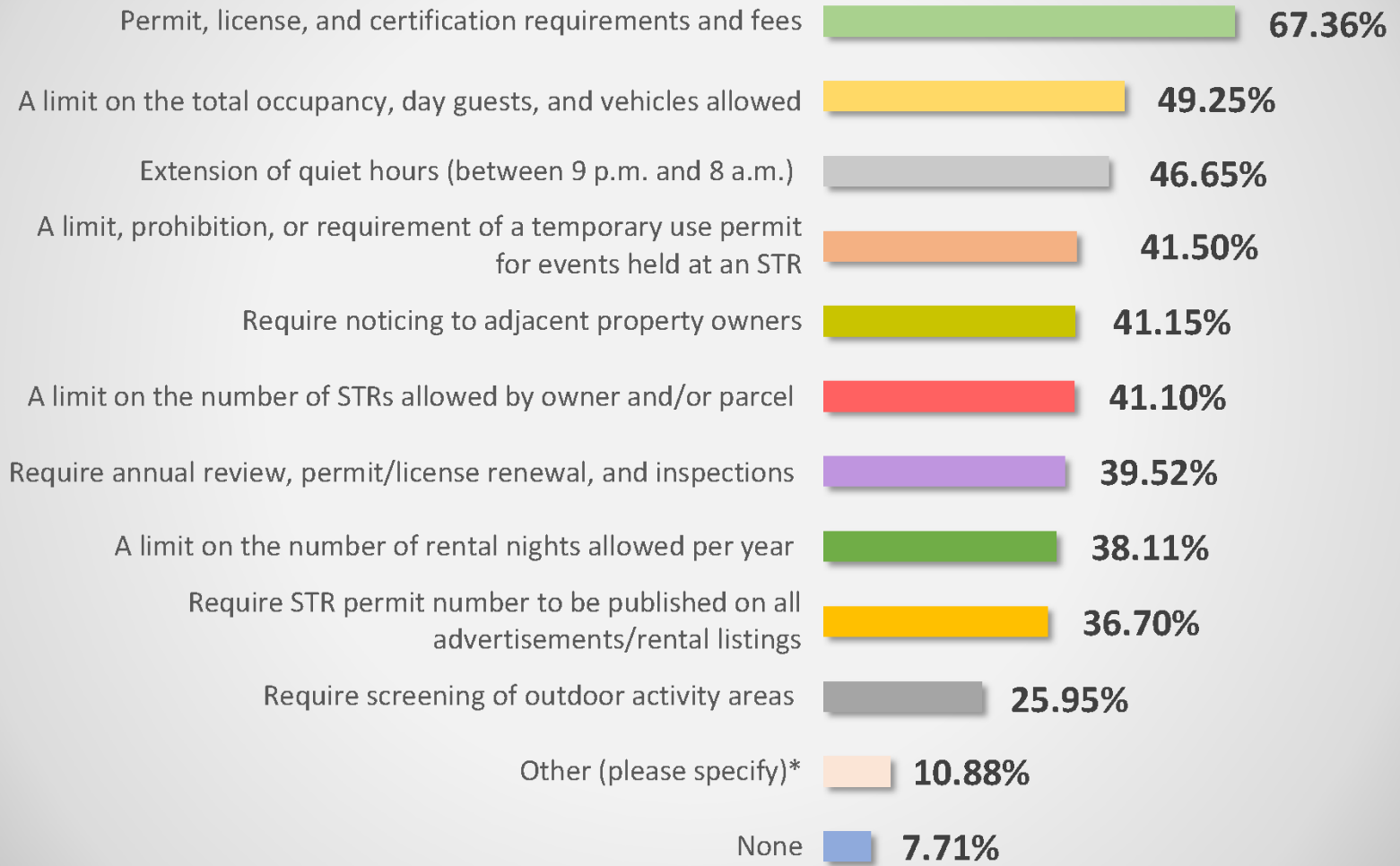
Q4. Where should short-term rentals be allowed?

(Check all that apply) Total Responses: 2295



*190 open-ended responses

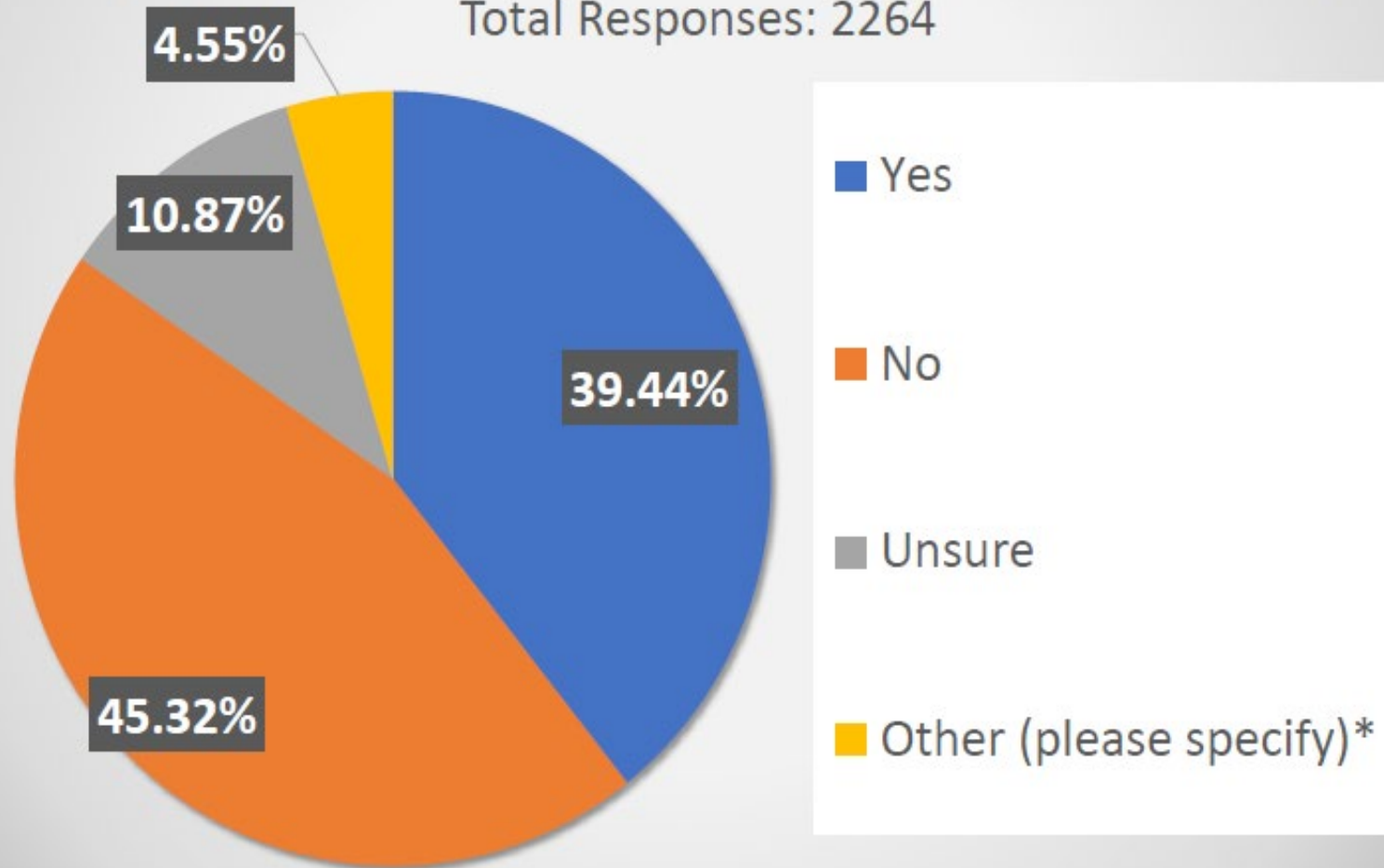
Q5. What additional STR regulations are you in favor of? (Check all that apply) Total Responses: 2270



*247 open-ended responses

Q6. Should the City consider differing limits or restrictions to STR residences that are not owner-occupied (in other words, if a property is not the primary residence of the STR owner)?

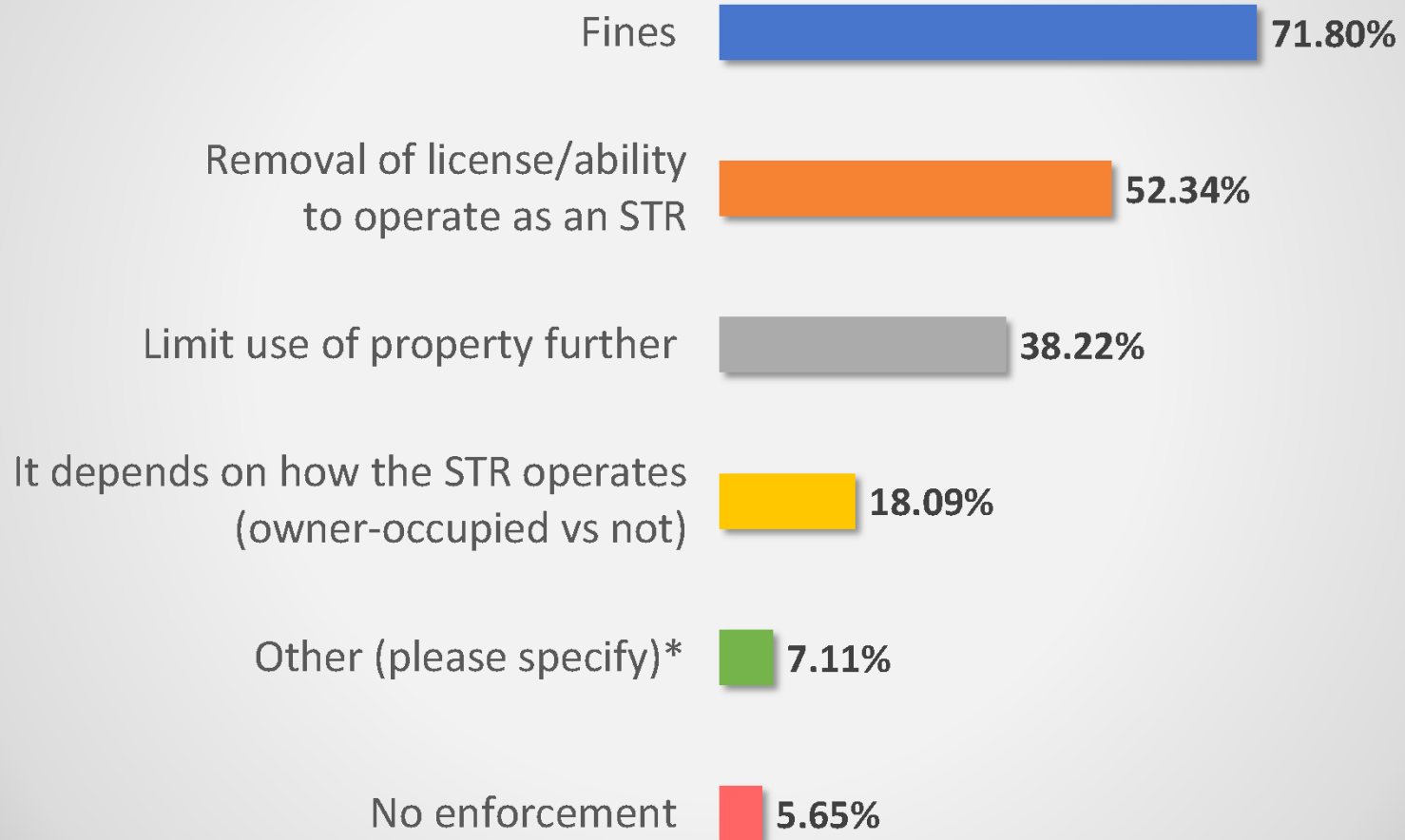
Total Responses: 2264



*103 open-ended responses begin on next page

Q7. How should the City enforce ordinance violations?

(Check all that apply) Total responses: 2266



*161 open-ended responses

Economic Development Subcommittee Direction September 14, 2021

- Prepare an Urgency Ordinance for Council review and action on October 12, 2021, to be followed by a comprehensive Short-Term Rental Urgency Ordinance in 2022

Urgency Ordinance – Add Zoning Code Chapter 20-48, Short-Term Rentals

- Definitions
- Permit and Registration Requirements
- Occupancy Standards and Parking Requirements
- Operational Standards
- Enforcement Procedures

Application

- Applies to hosted and non-hosted short-term rentals
- Does not apply to other transient occupancy types such as hotels or home exchanges or other rental uses such as supportive or transitional housing

Definitions

Agent	Hosting Platform
Bonfire	Local Contact
Daytime Guests	Non-Hosted Short-Term Rental
Dwelling Unit	Operator
Enforcement Official	Owner
Guest House	Portable Outdoor Fireplace
Home Exchange	Recreational Fire
Host	Short-Term Rental
Hosted Short-Term Rental	Short-Term Renter

Annual Permit Requirements

- **Hosted:** Allowed with a Short-Term Rental Permit in all City zoning districts.
- **Non-Hosted:** Allowed with a Short-Term Rental Permit only in the following zoning districts:

Core Mixed Use (CMU)	Single Family Dwelling (R-1)
Station Mixed Use (SMU)	Planned Development (PD)
Maker Mixed Use (MMU)	Rural Residential (RR)
Neighborhood Mixed Use (NMU)	Neighborhood Commercial (CN)
Transit Village-Mixed (TVM)	Office Commercial (CO)
Community Shopping Center (CSC)	General Commercial (CG)

Operators in Good Standing

- **Application and fee submitted by December 1, 2021**
- **Operators in Good Standing** may continue to advertise and operate short-term rental
- Must **respond to Revisions Required notification within 5 business days** or lose operator in good standing status and cease advertising and operation of short-term rental

Registration Requirements (Finance Department)

- Transient Occupancy Tax
- Business Improvement Area Assessment (BIA)

Occupancy Standards and Parking Requirements

- Two Persons per Bedroom, Maximum of 10 Persons
- Four Additional Daytime Guests
- Must be able to Meet Minimum Parking Requirement of One Off-Street Space Per Bedroom (except properties located in Downtown Station Area)
- One on-Street Space may Count Where Available

Operational Standards

- Quiet Hours Enforced from 9 p.m. and 8 a.m. and no Amplified Sound
- Life, Safety Requirements (phone service, evacuation checklist and zone posting requirement, and Know Your Alerts Flyer, fire-related restrictions)
- Events Prohibited
- Advertising and Listing Requirements
- Posting and Neighbor Notification of Permit and Standards
- Accessibility Requirement

Enforcement

- Initial Complaint to be Directed to 24/7 Contact
- Penalties:

Enforcement Penalties

**First Violation
within**

\$500.00 and
education

**Second Violation
within one year**

\$1,000.00

**Third Violation
within one year**

\$2,000 and permit
revocation

Resulting Themes

- **Benefits** – short-term rentals bring economic value and provide an important source of income
- **Zoning** – allow in more commercial zones
- **Permit** – allow to continue operating during permit approval process; not annual or less expensive renewal
- **Occupancy** – allow hosted short-term rentals to rent more than two bedrooms
- **Parking** – reduce requirements or allow exceptions
- **Enforcement** – allow more than 45-minutes for complaint resolution; how will complaint/violation be verified?
- **Standards** - should apply also for long-term tenants and homeowners
- **Engagement** - would have liked more opportunity to influence Ordinance

California Environmental Quality Act

- Not subject to the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Section 15060(c) - The activity will not result in a direct or reasonably foreseeable indirect physical change in the environment.
- 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.
- Exempt under CEQA Guidelines section 15061(b)(3) because it can be seen with certainty that there is no possibility that this Ordinance or its implementation would have a significant effect on the environment.

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Continue Work on Comprehensive Approach

- Additional Community Engagement
- To Planning Commission and City Council in 2022

Recommendation

The Planning and Economic Development Department recommends that the City Council approve an urgency ordinance to amend Title 20 of the City Zoning Code to add Chapter 20-48, Short-Term Rentals, to regulate short-term rentals, defined generally as the rental of residential property for a period of less than 30 calendar days.

Questions?

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