



PROPOSED SHORT TERM RENTAL ORDINANCE CITY COUNCIL

May 6, 2019



OVERVIEW

- Ordinance to prohibit non-hosted short term rentals
 - ✓ Establishes penalties for non-compliance
- Ordinance to regulate hosted short term rentals
 - ✓ Subject to obtaining a permit, obtaining a business license, and payment of transient occupancy taxes
 - ✓ Subject to specific performance standards

BACKGROUND



- ✓ March 2017 - City Council prohibits use of ADUs as short term rentals
- ✓ November 13, 2017 - City Council work session on Short Term Rentals
- ✓ July 23, 2018 – City Council work session and temporary urgency ordinance on non-hosted short term rentals
- ✓ September 4, 2018 – City Council approves one year moratorium on non-hosted STRs
- ✓ September 24, 2018 - Community meeting at the Main Library to receive public feedback
 - *45 people attended, survey conducted*
- ✓ December 10, 2018 – City Council provides direction regarding the framework for tonight’s ordinance

SUMMARY OF PUBLIC OUTREACH FOR TONIGHT'S PUBLIC MEETING

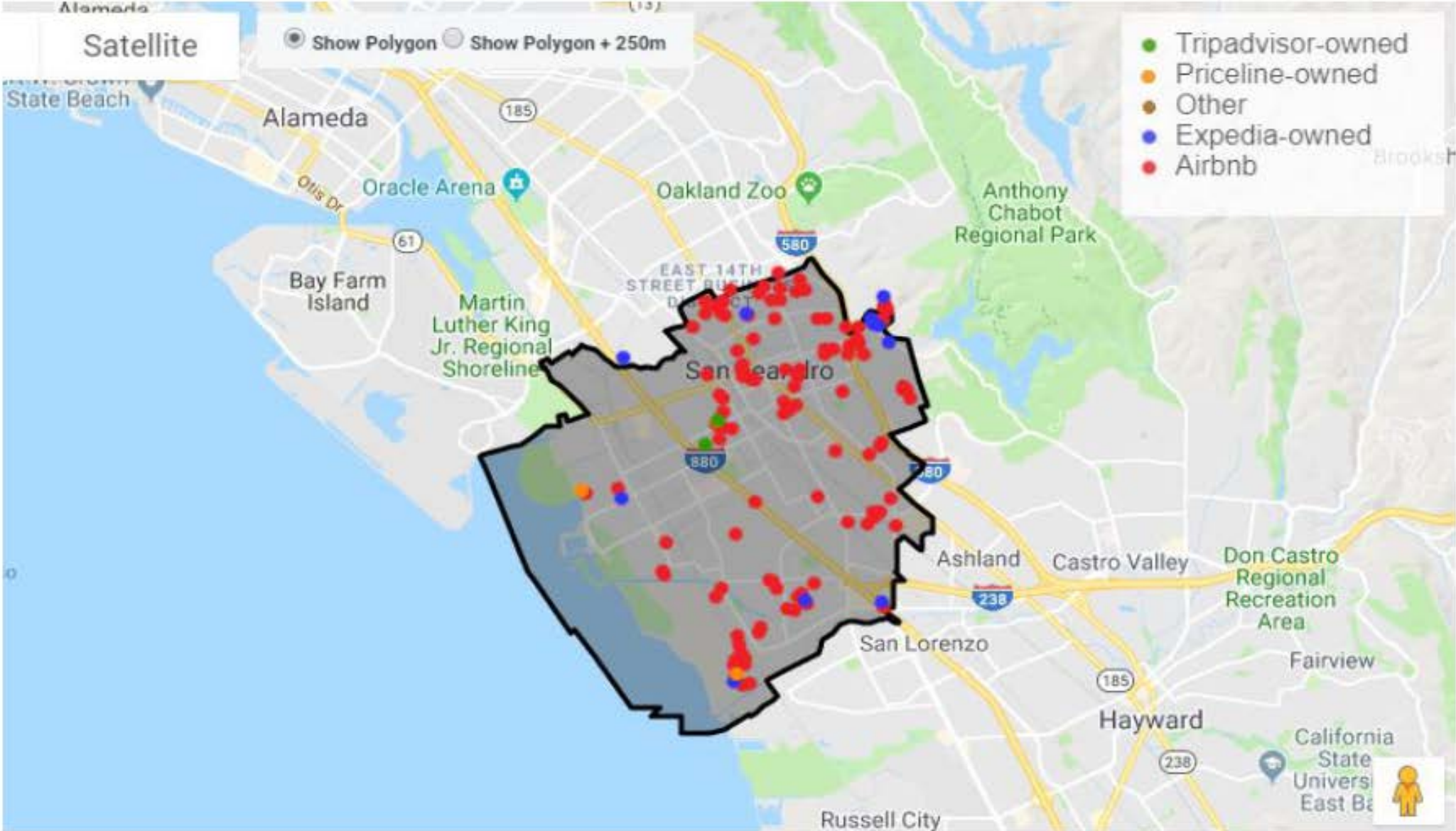
- ✓ Email list of interested parties from MySL cases and public/Council meetings
- ✓ Homeowners Associations
- ✓ Press release
- ✓ Social media (Nextdoor, Facebook, Twitter)

CURRENT SNAPSHOT OF CONDITIONS

- As of April 2019, San Leandro has 127 short term rental listings representing 111 unique rental units
- San Leandro saw 19.35% growth year over year in short term rental listings
- The majority of listings are posted on Airbnb

Source: April 2019 Host Compliance Data

Short-term rentals in San Leandro as of April, 2019



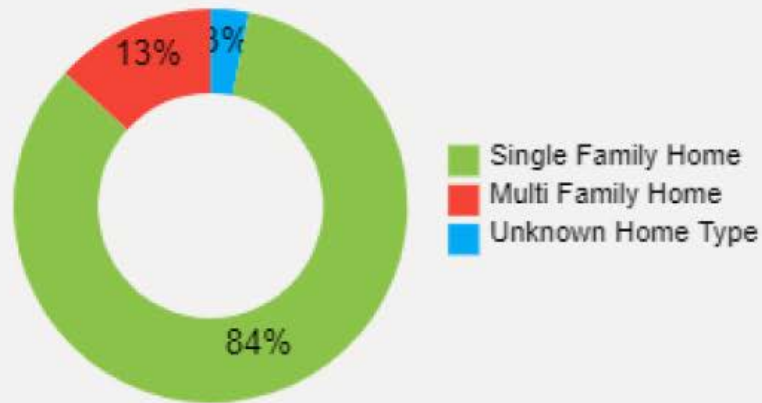
Source: April 2019 Host Compliance Data

San Leandro Data Details

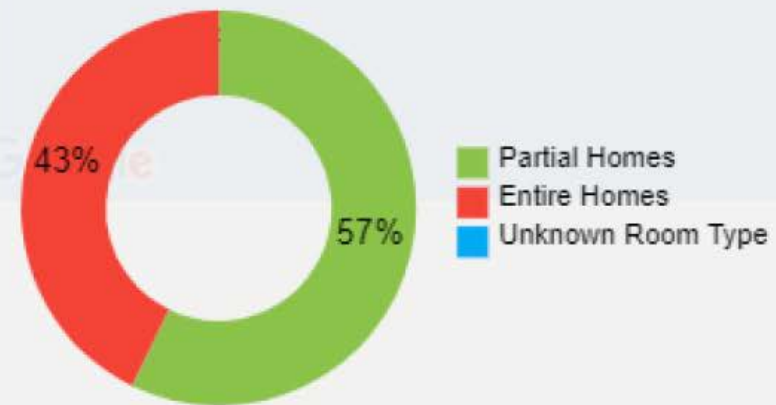
Median Nightly Rate
(USD)

\$75

Listing Types



Unit Types



NON-HOSTED SHORT RENTAL (STR) ORDINANCE

- Non-hosted short term rentals are prohibited city-wide
- Non-hosted penalties:
 - a) 1st Notice of Violation (NOV): Misdemeanor prosecuted by City, \$1000 fine or six months in jail.
 - b) 2nd violation: \$1000 fine or six months in jail, declaration of a public nuisance, and legal action by the City against host or property owner to enjoin illegal use of the property, with pleading to include repayment of City's attorneys' fees and costs.
 - c) 3rd violation within a 2 year period: \$1000 fine or six months in jail, and triple damages for a second or subsequent civil or criminal judgment within a 2-year period, and repayment of City's attorneys' fees and costs. City Attorney is authorized to bring without City Council approval an action for punitive damages for willful violation of the Code.

HOSTED SHORT TERM RENTAL ORDINANCE

- Limited to 120 calendar days per permit term
- Must be in a primary, permanent residence
- If the permittee is not the owner, the permittee must have the owner's written permission to operate
- Smoke detector, fire extinguisher, carbon monoxide detector, and adequate egress required
- Emergency contact and safety information must be conspicuously posted for occupants

HOSTED STR ORDINANCE - STANDARDS

- Must hold a Business License and pay Transient Occupancy Tax
- Permittee must notify the City what advertising platforms are in use
- Good neighbor policy that includes maximum occupancy, smoking regulations, noise management, parking restrictions, emergency procedures, & property upkeep
- Parking only in designated or available parking spaces on the property – not on public streets
- Limitations on the internal use of security cameras, respectful of privacy

HOSTED STR ORDINANCE - APPROVAL PROCEDURE

- Finance Director considers business licenses & applications in consultation with other departments
- Discretion is available to provide neighbor notification
- May refer applications to the Board of Zoning Adjustments / Planning Commission for consideration at a noticed public hearing
- May impose conditions of approval
- Decisions may be appealed to the City Manager

HOSTED STR ORDINANCE - APPEALS

- Decision on a new permit may be appealed to City Manager
- Decision on a new permit by the BZA/Planning Commission may be appealed to City Manager
- Decision to revoke, suspend or modify a permit may be appealed to the Administrative Hearing Board

FISCAL IMPACTS

- Code Enforcement and Police will primarily enforce the ordinances
- STRs will be subject to a 14% transient occupancy tax
 - ✓ Tax revenue is projected to be relatively small given the low volume of hosted STRs
 - ✓ Estimated annual costs to contract with a third party monitoring service estimated at less than \$10,000

FOLLOW-UP ACTIONS

- Second reading on May 20th
- Law goes into effect 30 days after second reading passage
- Staff will prepare public information – website, handouts & new application forms
- Selection of third party monitoring service