

**PROPOSED SHORT TERM RENTAL REGULATIONS  
CITY COUNCIL WORK SESSION**

Dec. 10, 2018



# OVERVIEW

- ✓ Public Outreach Efforts
- ✓ Presentation to City Council regarding community and staff recommendations for elements of a short-term rental ordinance
- ✓ Proposed Timeframe for Adoption and Effective Date of Short Term Rental Ordinance

# CURRENT REGULATIONS

- ✓ Zoning Code does not define, enable, or permit STRs
- ✓ No specific enforcement provisions in the Municipal Code
- ✓ City enforcement currently limited to incidental problems (e.g., public nuisance, noise, illegal parking)
- ✓ Recent revisions to the Zoning Code for Accessory Dwelling Units (ADUs) added language to prohibit short-term rentals of ADUs
- ✓ Current Moratorium prohibits non-hosted Short-Term Rentals throughout the City

# ENFORCEMENT SINCE JULY 23, 2018 URGENCY ORDINANCE

- ✓ Code Enforcement has received complaints on 7 residential properties:
- ✓ 2 under enforcement/citations
- ✓ 3 are hosted STRs
- ✓ 1 was not an STR
- ✓ 1 deactivated as STR and is on the market for sale

*Note: Some of the 7 properties have had several MySL/Mobile 311 complaints filed against them*

# SUMMARY OF PUBLIC MEETINGS

- ✓ 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*



# SUMMARY OF PUBLIC OUTREACH

- ✓ Email list of interested parties from MySL cases, past public/Council meetings and Sept 24 community meeting
- ✓ Homeowners Associations
- ✓ Press releases
- ✓ Social media (Nextdoor, Facebook, Twitter)
- ✓ Public survey



# PUBLIC SURVEY RESULTS

- ✓ Survey timeframe: September 5 – October 1
- ✓ 355 total participants: 346 online responses, 9 hard copy submittals

Do you believe short-term rentals (rentals less than 30 days such as VRBO or AirBnB) should be allowed in residential neighborhoods, including single-family residential areas, in San Leandro?

		Response Percent	Response Count
Yes, as long as regulations are in place to protect neighborhoods and collect all applicable taxes		53.2%	184
No, short-term rentals are commercial in nature and do not belong in any residential areas		46.8%	162

# PUBLIC SURVEY RESULTS

If you answered yes above, why do you support allowing and regulating short-term rentals? Please select all that apply.

		Response Percent	Response Count
Promotes tourism and positive recognition of San Leandro		67.2%	125
Enables owners to supplement income to afford to live in their homes		91.4%	170
Provides revenue opportunity for the City through fees and taxes		68.3%	127
Fosters cultural exchanges and friendships between hosts and guests		59.7%	111
Other		16.7%	31

# PUBLIC SURVEY RESULTS

If you answered no above, which of the additional reasons below apply? Please select all that apply.

		Response Percent	Response Count
Concerned about the housing supply shortage and short-term rentals removing valuable housing from the community		73.5%	125
Concerned about excessive noise such as parties or late night check-ins		85.9%	146
Concerned about renters littering and not maintaining the property		75.9%	129
Concerned about loss of neighborhood parking and increased traffic		88.2%	150
Other		31.8%	54

# PUBLIC SURVEY RESULTS

If the City of San Leandro were to allow short-term rentals in residential areas, including single family neighborhoods, what regulations should be in place in order to obtain a permit? Please select all that apply.

		Response Percent	Response Count
The owner must use the property as their primary residence and live on-site (ie: must be a hosted short-term rental)		69.1%	239
Off-street parking must be provided for the use of the short-term rental guests		56.6%	196
Limits on the number of nights per month or year that a property can be used as a short-term rental		59.8%	207
Regulations to limit noise must be established for guests		80.1%	277
Large group gatherings and parties should not be allowed		75.7%	262
A valid short-term rental permit must be displayed on short term rental listings for tracking purposes		63.0%	218
The City should have the authority to revoke a short-term rental permit based on the type, severity and number of nuisance complaints		85.5%	296
None of the above restrictions should apply		4.9%	17

# BASIS FOR STAFF RECOMMENDATIONS:

- ✓ Community feedback
- ✓ Legal viability
- ✓ Enforcement feasibility

# DEFINITIONS

- ✓ Short-term rental – the rental of a residential dwelling unit, or portion thereof, to paying occupants on a short-term basis, for less than 30 days.
- ✓ Non-hosted short-term rental – the rental of a residential dwelling unit where the owner or host is not domiciled, for less than 30 days.
- ✓ Hosted short-term rental – the rental of a residential dwelling unit in which the host is present, such as the rental of a bedroom in a residential dwelling unit, for less than 30 days.
- ✓ Domiciled: a person's fixed, permanent, and principal home for legal purposes.

*What is the difference between residence and domicile?*

*For purposes of jurisdiction, “domicile” means a legal residence which is the place where a person has fixed dwelling with an intention of making it his/her permanent home. Domicile is a combination of two factors namely, residence and intent to remain. ... Residence is of a more temporary nature compared to domicile.*

# NON-HOSTED SHORT-TERM RENTALS

- ✓ **Per public comments received, staff recommends prohibiting non-hosted short-term rentals**
- ✓ Code Enforcement penalties increased for violations of non-hosted short-term rental regulations

# NON-HOSTED SHORT-TERM RENTALS - ENFORCEMENT

- ✓ 1st Notice of Violation (NOV): Misdemeanor prosecuted by City, \$1000 fine or six months in jail.
- ✓ 2nd violation: \$1000 fine or six months in jail; Declaration of a public nuisance, followed by legal action by City against host or property owner to enjoin illegal use of property. Payment of City's attorneys' fees and costs.
- ✓ 3rd violation within a 2 year period: \$1000 fine or six months in jail; Triple damages for a second or subsequent civil or criminal judgment within a 2-year period. City will bring action for punitive damages due to willful violation of Code

# HOSTED SHORT-TERM RENTALS – LICENSING/PERMITTING

- ✓ Permitted in any residential dwelling unit
- ✓ Each owner/host obtains a Business License, and Hosted Short-Term Rental Permit
- ✓ Obtain registration certificate to collect and pay Transient Occupancy Tax (TOT)
- ✓ Permit renewable every year, and non-transferable
- ✓ If you're a tenant host, then must show proof of landlord or owner's consent
- ✓ Limit of one permit per dwelling unit
- ✓ Permittee must be a person – cannot be a corporation, LLC, Partnership
- ✓ Upon Business License and Permit Registration, must show proof of insurance (homeowners' or tenants') with minimum coverages of \$1,000,000
- ✓ City maintains and posts address list of permitted hosted STRs in the City

# HOSTED SHORT TERM RENTALS - OCCUPANCY AND PARKING STANDARDS

- ✓ Maximum of 120 rental nights per year
- ✓ Limit of 2 persons per bedroom, but not to exceed 8 persons in a residential unit
- ✓ Guests must park on-site in the garage or driveway of the owner-occupied residential dwelling unit.
  - ✓ *For multifamily rental units, guests must park in the assigned parking space(s) for the applicable unit*

# HOSTED SHORT-TERM RENTALS – GOOD NEIGHBOR POLICIES

- ✓ Owner or host must be the one to check-in guest(s)
- ✓ Owner or host must prominently display all licenses, permits, and certificates in the dwelling unit to provide conveniently accessible proof for monitoring purposes (e.g., Police or Code Enforcement staff)
- ✓ Owner or host must post written good neighbor policy, including house rules and the consequences for policy violations, in a prominently visible location for guests
  - ✓ *Good neighbor policy shall include language minimizing public disturbances to neighbors, disallowing large group events/parties, and requiring property maintenance/upkeep*

# HOSTED SHORT-TERM RENTALS - VIOLATION PENALTIES

- ✓ 1<sup>st</sup> NOV: \$1000 fine; first strike against permittee
- ✓ Violating the Short Term Rental Regulations, Unruly Gathering Ordinance, Building Code, Noise Ordinance, Failure to pay the fine
- ✓ 2<sup>nd</sup> NOV: \$1000 fine, or six months in jail; second strike against permittee
- ✓ 3<sup>rd</sup> NOV: \$1000 fine, or six months in jail; revocation of permit

# HOSTED SHORT-TERM RENTALS — PERMIT REVOCAION

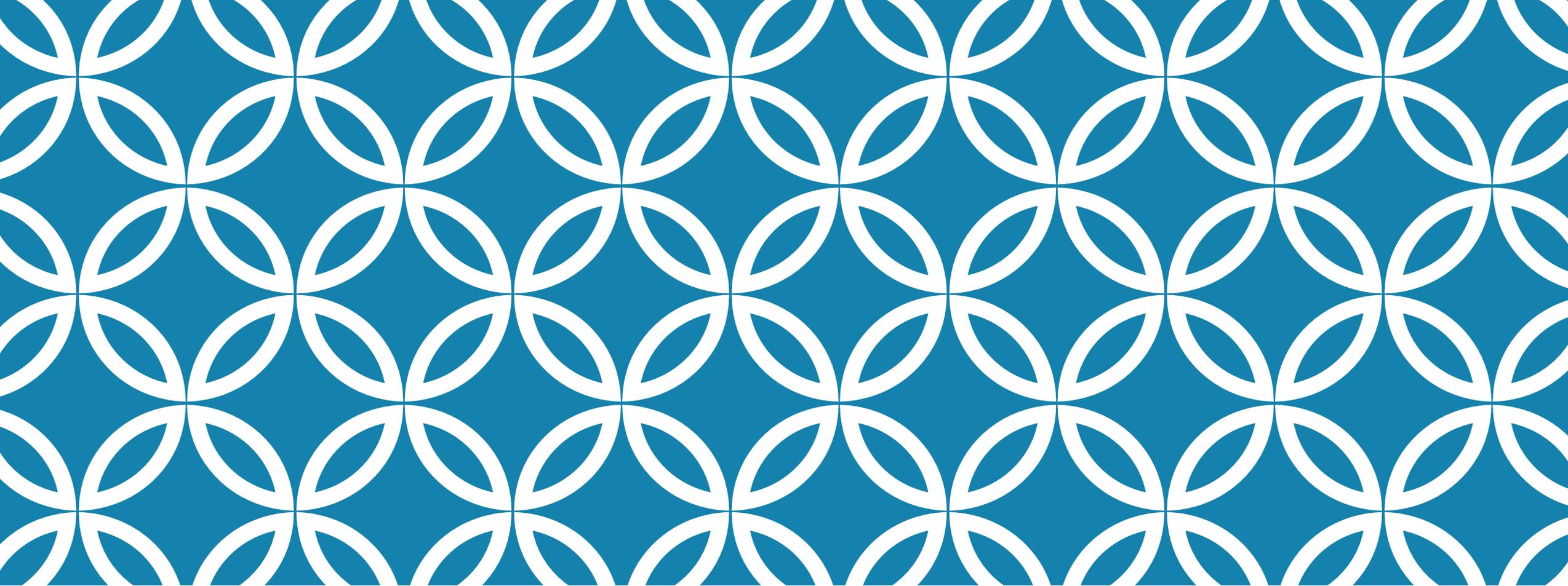
- ✓ Revocation hearing shall occur before the Administrative Hearing Board
- ✓ Revocation criteria shall include: code enforcement or police actions, operating without a permit, failure to pay business license fees/inaccurate reporting, inaccurate reporting, building safety/fire code violations
- ✓ If revoked, permittee is permanently barred from obtaining a City hosted short term rental permit

# HOSTED SHORT-TERM RENTALS - ENFORCEMENT

- ✓ Any complaints/concerns for non-compliance shall continue to be submitted to the City Code Enforcement Division (or Police after hours)
- ✓ Explore hiring a third party service to regularly monitor online short-term rental listings in San Leandro
- ✓ Potential funding source for the third party service may be transient occupancy tax revenue from hosted STRs

# NEXT STEPS

- ✓ City Council receives public comments
- ✓ City Council provides staff feedback and direction on suggested short-term rental ordinance regulations
- ✓ Staff proposes the following timeline:
  - ✓ *First Reading of Ordinance: Spring 2019*
  - ✓ *Second Reading: Spring 2019*
  - ✓ *Effective Date: July 1, 2019*



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