

Short Term Rental Ordinance

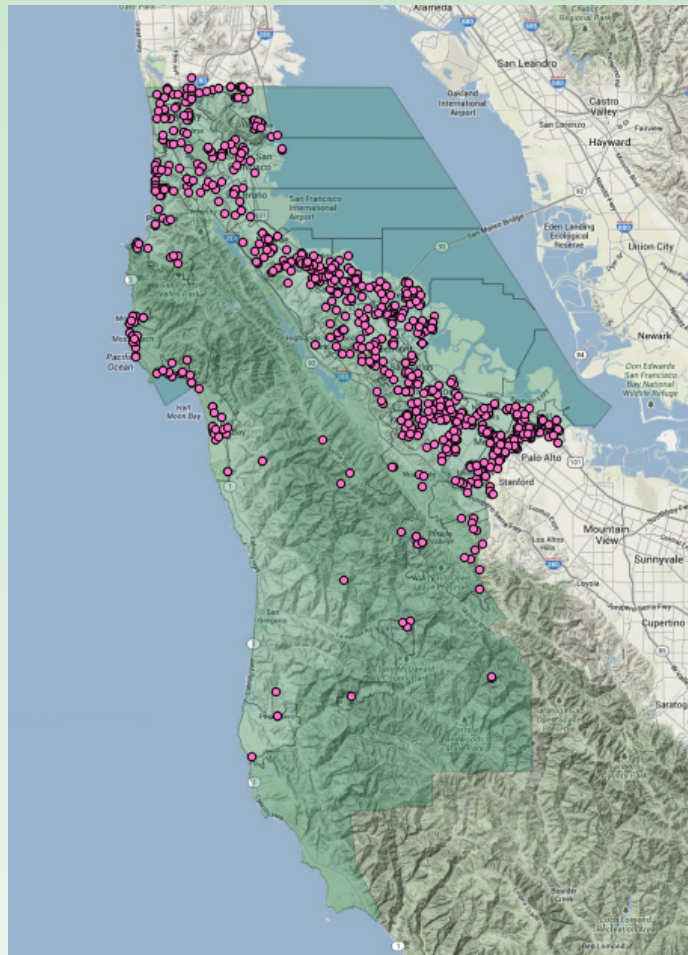
Considerations For Proposed Revisions to Zoning Regulations



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Airbnb Rentals in SMC



Source: Airbnb (2014)

Existing SMC Zoning Regulations

Section 6400 of the San Mateo County Zoning Regulations prohibits “[t]he short term rental of rooms, **for a period less than thirty (30) consecutive days**” and explicitly excludes bed and breakfast[] [inns] in ‘R’ [Residential] districts outside of the Coastal Zone.

Impetus for Review

- 🌿 Coastside Only (as pilot)
- 🌿 Move to address activity that is currently taking place
- 🌿 Interest from the public
- 🌿 Address the role of the sharing economy
- 🌿 Transient Occupancy Tax (TOT) collection

Background & Research

- ❁ Researched the content of other jurisdictions' short term rental ordinances as well as underlying permitting processes including compliance rates
- ❁ Analyzed what worked and what did not while keeping in mind the unique attributes of the coastside
- ❁ Goal is to balance the owners' interests and the community's interests
- ❁ Worked to create policy suggestions that represent a fair and workable approach without creating a costly and burdensome administrative process

Short Term Rentals on the San Mateo County Coastside: Considerations

- ❧ Comparison of bayside and coastside concerns (including tourism considerations)
- ❧ Mitigating the impact on residential neighborhoods and ensuring neighborhood continuity
- ❧ Coastal Commission Approval
- ❧ CEQA Review
- ❧ Community input
- ❧ Renter safety
- ❧ Individual privacy concerns

Density Considerations

- ❧ Potential limitation of the number of short term rentals in any one area
- ❧ One approach limits the number of short term rentals that can operate within any one neighborhood
- ❧ Neighborhood limitations are best suited to communities with easily definable tourist zones
- ❧ At this time, neighborhood based density limits are not recommend for coastside short term rentals

Duration Considerations

- 🌿 Total nights per calendar year that the home or apartment may be rented
- 🌿 Note that any one rental period is limited to a period of less than 30 days
- 🌿 Portland – Owner must live in rented home for 9 months of the year, no limit on number of nights that rooms can be rented
- 🌿 San Francisco – Unlimited number of nights when the owner is present and a maximum of 90 nights per calendar year when the owner is not present

Rental Occupancy Limits

- ❧ Rental occupancy limits intended to minimize impact on the neighborhood and to enhance safety
- ❧ Some jurisdictions limit the **number of bedrooms** that may be rented in any one home
- ❧ Alternatively, some impose a limit on the **number of people per bedroom** or **per dwelling** based on rental size
- ❧ A **limitation on occupants per room** effectively addresses overcrowding concerns
- ❧ **Parking and Occupancy:** Reasonably sufficient evidence of off-street parking must be provided and the number of required spots is directly tied to occupancy

Permit Application Process

- Application document
- Rental Agreement inclusive of performance standards (number of tenants allowed, on-site parking, trash disposal, prohibition of illegal activity, noise standards, etc.)
- Proof of TOT
- Proof of Liability Insurance (\$500,000)
- Fees pursuant to the Department Fee Schedule

Procedures and Requirements: TOT

- 🌿 **Transient Occupancy Tax (TOT)** required of all owners who engage in short term rentals
- 🌿 Obtaining a TOT certificate will be required as part of the short term rental permit application process
- 🌿 San Francisco and other larger municipalities collect TOT directly through the renting platform (e.g., Airbnb)
- 🌿 Due to the smaller size and limited number of short term rentals on the coastside, individual driven collection and remittance of TOT is recommended

Permit Revocation Process

- ❧ All jurisdictions build in requirements for revocation in the case of misuse, fraud, or renting that does not conform to short term rental ordinance or other relevant regulations
- ❧ Jurisdictions vary regarding revocation timelines, however the Planning Director or appropriate departmental director has principal role
- ❧ Hearing process in which notice is required and appeal to Planning Commission is possible
- ❧ If permit is revoked, then suggested one year “blackout” period for owner prior to reapplication

Strategies for Accountability

- Local Contact Person
- Neighbor Notification
- Liability insurance requirements (\$500,000)
- Safety Requirements
- Required Record Keeping by Owner/Host
- Existing ordinances and laws
- Violations and Penalties available
- Permit Revocation and “Blackout” Period

Summary

- ❧ By permitting rentals of less than 30 days, the activity will no longer violate Zoning Regulations
- ❧ Owners may lawfully rent homes/participate in the sharing economy within specific guidelines as set by the County
- ❧ Alignment with TOT ordinance
- ❧ Application process and staff-level approval by the Planning Department
- ❧ Application fees to be set by Planning Department with approval of Board of Supervisors
- ❧ Process for revocation in cases of misuse