



# Memorandum

TO: MAYOR & CITY COUNCIL

FROM: Councilmember Rocha

SUBJECT: SHORT TERM RENTALS

DATE: December 8, 2014

Approved

Date

12/8/14

## RECOMMENDATIONS:

Approve the agreement with AirBnB but defer action on amending Title 20 and direct staff to do additional analysis on the following policy considerations:

1. Create a mechanism to expand the protections provided to rent controlled units in the "Limitations in Dwellings" language of the performance standards to all multi-family rental units;
2. Workload and cost associated with creating a host registry as recommended by the Planning Commission at their November 19, 2014 meeting;
3. Provide TOT revenue projections at the staff recommended level, and provide additional analysis on projected staffing impacts; and
4. Provide analysis on the enforcement actions that will be taken against non-compliant hosts

## ANALYSIS

I am not immediately opposed to approving short-term rental occupancy as an incidental use in our zoning code, but I believe that additional analysis is needed before the Council takes final action. I see no reason to delay action on our contract with AirBnB, as contract activity won't begin until the council approves regulations and a tax rate, if it chooses to do so.

### **Protecting Affordable Housing**

I am sensitive to our need to preserve affordable housing. Affordability cuts both ways on this issue: a tenant's ability to afford their rent by using home sharing as supplemental income, and in ensuring that our apartment complexes remain available for longer-term leases and are not converted into make-shift hotels. The protections afforded to tenants living in rent controlled apartments should be expanded to all tenants in multi-family units, but I understand that is not easily accomplished in our zoning code. Staff is directed to do additional analysis to develop policy alternatives for Council consideration that will address this concern.

### **Host Registry**

The Planning Commission recommended the creation of a host registry that would become part of the City's administration of the home-sharing program. Other cities have included this in their programs, and I'm interested in understanding more about how a registry could be used to ensure that the City Council can monitor this program for future changes to our regulations. Staff is not recommending development

of a registry for cost and workload reasons. Recently the Council authorized the Administration to develop a registry of personal surveillance cameras because of the relatively low cost and workload compared to the perceived high benefit. Staff is directed to provide the Council with additional information on the workload impacts to creating a host registry before deciding.

### **Revenue & Staffing Impact Projections**

To ensure that the Council is not creating an unfunded mandate associated with generating TOT revenue, which is a partially restricted revenue source, staff should prepare both revenue projections and staffing impacts of administering this program. This information will help the Council decide whether dedicating a portion of the new revenue to administering the program is necessary. Additionally, I have an interest in the Council discussing the possible restriction of additional new revenues to support efforts to end homelessness, like the proposed "Safe Park" program.

### **Enforcement Actions**

This issue has already gathered great interest from the home-sharing community, which shows us that they're watching closely. In order to be clear with our residents on what the City expects of its resident hosts and what hosts can expect if they are out of compliance with our ordinance, staff is directed to bring back an explicit listing of enforcement actions that may be brought against hosts, including fines.