

Short Term Vacation Rental Subcommittee
March 30, 2017

Draft Items of General Agreement (not necessarily 100% consensus)

1. Agreed to treat Hosted differently than Non-Hosted.
2. Agreed that Hosted STR's (currently at 152 registered properties) may continue to operate. (Subcommittee did not vote on a cap. The City Council moratorium did not limit these as part of the moratorium, implying that these may not need a cap.)
3. Agreed that Non-Hosted STR's (currently at 151 registered properties) may continue to operate.
4. Agreed that for an undetermined period of time, 75 additional new Non-Hosted STR's could be allowed if they meet certain criteria to be determined. (Note: This was not unanimous, with two (of the ten members present) expressing concern that the existing number of STR's is already more than should be allowed. The proposal to allow additional registrants was to allow non-registered STR owners an opportunity to come forward, register, and depending on how many apply be part of a lottery to continue to operate.)
5. Agreed that newly proposed Hosted and Non-Hosted STR's need to comply with new criteria/standards to be developed.
6. Agreed that with the adoption of the new criteria/standards that the 303 currently registered STR's may become non-conforming.
7. Agreed that if STR's become non-conforming to the new criteria/standards, that the ability to continue a STR would cease upon:
 - a. Sale of property or change of ownership, which triggers a re-assessment for property tax purposes, or
 - b. Cessation of use of the property as a STR (time to be determined – 1-3 years), or
 - c. Revocation of the TOT registration or license to operate if the property is not in compliance with the criteria/standards to be developed, or a certain number of verifiable complaints.
8. Agreed with the concept of Use-It-or-Lose-It. To avoid 'banking' the right to have a STR, a license to operate would be required. The cost of the license should be enough to incentivize use as the STR (i.e. payment of TOT), but not too expensive to be punitive.
9. Agreed with the definition of a Hosted STR. A STR property where the owner complies with the Principal Residence definition. The owner resides on the property, the owner may or may not be present during the STR visit, and one STR is allowed per parcel.

10. Agreed with the current definition of Principal Residence. “The dwelling a person physically occupies and lives in on a day-to-day basis. A person may have only one principal residence at a time. If a person alternates between two or more properties, the principal residence will be the one lived in the majority of days during the year. Whether a property qualifies as a principal residence depends on the facts and circumstances in each case, including the good faith of the homeowner. In addition to a homeowner’s use of the property, the following factors are relevant when determining principal residence: the address listed on the homeowner’s federal and state tax returns, bank account, car registration, driver’s license, voter registration and employment records; the mailing address for bills and correspondence; and whether the homeowner has been granted a homeowner’s exemption pursuant to California Revenue and Taxation Code Section 218 which is on file in the County Assessor’s Office (24.22.618.1).”
11. Agreed in general with setting cap by proximity and location, but distance or zones need to be determined.

Items that need to be decided to complete recommendation

1. Confirm direction on Hosted STR’s
2. Continue discussion of locational criteria (distance/zone)
3. Parking standard
4. Other items to be determined