

TOWNSEND

PUBLIC AFFAIRS

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MEMO

To: City of Cupertino
Legislative Review Committee

From: Townsend Public Affairs, Inc.

Date: June 18, 2021

Subject: Consider adopting a position on SB 60 (Glazer) Residential short-term rental ordinances: health or safety infractions: maximum fines

Bill Information

The official text of SB 60 can be found [here](#)¹.

Summary

SB 60 allows cities to impose a fine of up to \$5,000 for public health and safety violations of a short-term rental ordinance. Specifically, this bill:

- Raises the maximum threshold for fines imposed on a violation of a short-term rental ordinance from \$1,300 to \$5,000 for each additional violation within one year.
- Specifies that the penalty limits set by this bill apply only to infractions that pose a threat to public health and safety, and do not apply to a first-time offense of failure to register or pay a business license fee.
- Requires a city or county levying the fine to establish a process for granting a hardship waiver to reduce the amount, as specified.

Status

SB 60 was approved by the Senate and awaits consideration from the Assembly Committee on Local Government on Wednesday, June 9th.

Support

The author states, "According to vacation rental data compiled by AirDNA, short-term rentals such as Airbnb and Vrbo have increased by 105% over the past three years. Though short-term rentals offer a way to improve tourism and earn owners some extra money, their recent proliferation has allowed bad actors to use the platform to advertise and secure homes for large parties, oftentimes in violation of local ordinances. The Covid19 pandemic has led to increase in people using short-term rentals to evade public health restrictions on large public gatherings. Host Compliance, which tracks legal compliance among short-term rentals for 350 cities and counties in the U.S, has found

¹ https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202120220SB60

that noise complaints as a result of parties have tripled since the start of the pandemic. These large gatherings have made some short-term rental properties the sites of underage drinking, brawls, noise complaints, and violence. In the last half of 2019, 42 people were shot inside or just outside a short-term rental property nationwide and 17 people died. Unfortunately, the fines cities are allowed to levy under current law are too low to deter violations. Hosts can charge so much rent for big houses that the fines, if they occur, are SB 60 Page 4 just a cost of doing business. In order to improve the safety of our citizens, this bill would increase fines that cities and counties are allowed to impose on short term rental hosts who violate local property rental laws. SB 60 would authorize imposed fines up to \$5,000 for a violation of a short-term ordinance.”

Supporters of SB 60 include: California Hotel & Lodging Assn, California Travel Assn, Expedia, League of California Cities, and the cities of Alameda, Dana Point, Murrieta, Orinda, and Santa Monica.

Opposition

The opponent of the measure cites concerns that the fine increase may harm the rental housing industry by detouring potential renters and subjecting landlords to an increase of potential liability damages for the public health and safety violations of their tenants.

Opponent of SB 60: The Southern California Rental Housing Association

Recommended Action

Adopt a support position on SB 60 and authorize the Mayor to send letters to the state legislature