

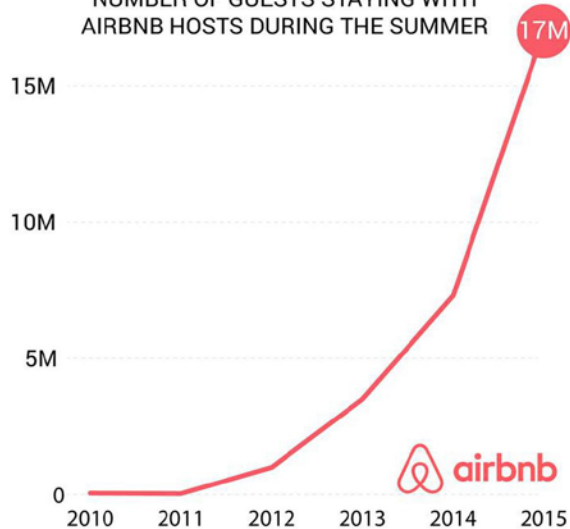
# Study Session Regarding Short-Term Rental Regulations

April 2, 2019

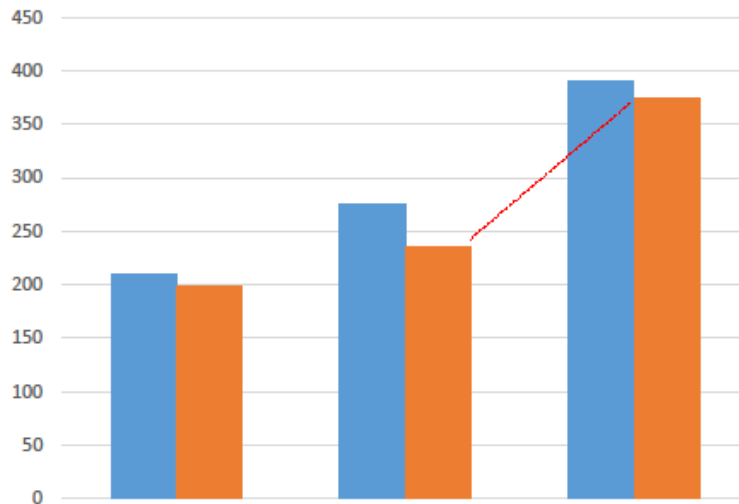


CUPERTINO

NUMBER OF GUESTS STAYING WITH AIRBNB HOSTS DURING THE SUMMER



## Cupertino Historic Data Details



**18%** Growth in Rental Units 2016 to 2017 and **59%** from 2017 to 2018  
Growth in Rental Units

	30-Nov-16	1-Dec-17	12-Dec-18
Listings	209	276	390
Unique Properties	199	235	374

■ Listings ■ Unique Properties



HOST COMPLIANCE

# Background

- Voluntary Collection Agreement with Airbnb – June 2018
- Direction to develop STR specific regulations with PC input

# Background – Timeline

- Jul 24, 2018 – PC Study Session
- Aug 2018 – Online Survey (140 responses)
- Oct 2018 – Community Mtg (26 attendees)
- Nov 27, 2018 – PC recommendation

# Objective of Study Session

Input in following areas of regulation/fees:

1. Minimizing Neighborhood Impact
2. Preserving Long Term housing stock
3. Discouraging Violations
4. Enforcing Regulations
5. Fees

# What do other cities do?

Regulate STRs	STR Prohibited	No Regulations	Drafting Regulations
Sunnyvale	Saratoga	Palo Alto	Santa Clara
Mtn View	Campbell		
San Jose	Los Altos		
Los Gatos			
Los Altos Hills			
San Francisco			

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1. *Minimizing Neighborhood Impact*
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# Neighborhood Impacts

- Number of Guests
  - Two times the # of bedrooms or max. two in studios
- Restricting rentals
  - One STR agreement per night



# Neighborhood Impacts

- Commercial Activity prohibited
- Guest Manual required
- Local Contact
  - 24/7/365
  - Within 60 mins

# Neighborhood Impacts

- Parking
  - Minimum required by zone
  - Designate one STR spot onsite
- Non-habitable spaces
  - Attics, garages, balconies

# Neighborhood Impacts

- Type of Unit
  - Single-Family Homes
  - Accessory Dwelling Unit (ADU)
  - Multi-Family Units

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# Impacts on Long-Term Housing

- Primary Residence
- Limit number of STRs on a parcel
  - One rental agreement per site
- Limit rental days
  - Hosted (365) vs. un-hosted stays (60)
- BMR Housing

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3. **Discouraging Violations**
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# Violation Penalties

- Penalty
  - SF - \$484/day
- Revocation
- Consent to inspection(s)
- Permit number in listing

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5. Fees



	Reactive Enforcement	Proactive Enforcement
Pros	<ul style="list-style-type: none"> <li>– May use existing staff (depending on # of complaints)</li> <li>– Maintains City's current code enforcement philosophy.</li> </ul>	<ul style="list-style-type: none"> <li>– Addresses complaints and actively work to identify noncompliant activities.</li> <li>– Typically results in higher compliance rates throughout the City.</li> </ul>
Cons	<ul style="list-style-type: none"> <li>– Addresses complaints only.</li> <li>– Does not ensure a high compliance rate in the City.</li> </ul>	<ul style="list-style-type: none"> <li>– More resource intensive and require additional staff support. Estimated that at least one additional CE officer needed to enforce STR program and regulations proactively.</li> </ul>

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# Fees

- STR monitoring and enforcement
  - Vendor ~ \$35K (Big Data/identification)
  - Full-time CE officer - \$133K (compliance)
- Business License Fee
  - Home occupations = \$150
  - Hotels, etc. = \$150 + \$9.71/room

# New - Regulations for STR Platforms

- *Appeals Court upheld City of Santa Monica regulations which include\**:
  - Collect and remit TOT
  - Regularly disclose listings and booking info
  - Refrain from booking unregistered STRs
  - Not collect fees for ancillary services related to unregistered STRs

\* *HomeAway.com Inc. v. City of Santa Monica*

# Recommended Action

Input in following areas of regulation/fees:

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4. Enforcing Regulations
5. Fees

