

# Short Term Rentals

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# Background

- Discussion began in 2014 after complaints
- Sausalito - location, scenery, things to do, shopping, ideal visitor destination



# Background



- America's CUP Events in Bay Area 2012-13 – temporary program to allow vacation rentals (short-term)
- Review of Sausalito Municipal Code
- Code Enforcement 2015-16 - pilot program

# Background

- Council directed formation of a Short Term Rental Working Group
- Start a community dialogue and cast a wider net to Sausalito community
- Articles on the City's newsletter
- STR working group comprised of a diverse membership of the community – for and against
- Conduct community forums
- Conduct survey
- City website page on Short Term Rentals

# Community Forums

Two dates in June 2016

- Panelists discussion:
  - Tiburon, Petaluma, Napa
  - Sausalito resident shared negative experiences living next to a problematic neighbor
  - Sausalito resident shared positive experiences with hosting a short term rental
  
- Public Comments

# Survey

- Additional input
- Available at two community forums
- On-line via Open City Hall, on-line forum for civic engagement
- *“Do you think Short Term Rentals should be allowed in Sausalito with regulations?”*
- List of five “pros” for regulating short term rentals (allow with regulations)
- List of five “cons” of allowing short term rentals
- Rank in order of priority from 1 to 5.
- Other pros and cons could be written in.

# Survey Results

- 300 survey respondents
- On-line and hard copies
  
- 63%        YES, regulate short-term rentals
- 35%        NO, enforce ban on short-term rentals
- 2%         undecided

# Survey Results

	Pros	Actual value
1)	<b>Affordability for Residents</b> – Allows supplemental income for Sausalito homeowners and renters who need it (retirees, families, young home buyers)	1.00
2)	<b>Temporary Housing Option</b> – Used by those relocating to the area, by seasonal workers, during home remodels and for visiting friends and family	2.35
3)	<b>Increased Transient Occupancy Tax (TOT) Revenue to Sausalito</b> – Regulated rentals would be registered, monitored and contribute to funding for Sausalito needs	2.65
4)	<b>Increased Sales Tax Revenue</b> – Guests spend even more in local restaurants and stores than on lodging	4.35
5)	<b>Better Code Enforcement</b> – New regulations can address concerns like parking, noise and trash, and transient occupancy taxes would fund enforcement against bad actors	4.65

# Survey Results

Cons		Actual value
1)	<b>Character of the neighborhood</b> – Less sense of community, strangers coming and going, more tourists/visitors in Sausalito	1.35
2)	<b>Parking and Traffic Impacts</b> – Additional cars on streets and car traffic in Sausalito	1.65
3)	<b>Noise Impacts</b> – From parties or celebratory gatherings	3.35
4)	<b>Loss of Housing Stock</b> – Long-term rentals could be taken up by short-term rentals.	3.65
5)	<b>Trash Impacts</b> – Not enough capacity for garbage and recycling	5.00

# Code Enforcement

## Positive Outcomes

- Some hosts ceased their operations
- Hosts responded that they will modify language on their website listings (rent for periods of 30 days or more)
- Number of hosts have lessened since enforcement began.
- Code enforcement has observed that the numbers have decreased since outreach.

# Code Enforcement Challenges

## Identification and Monitoring

- No addresses
- Language in listings are modified for minimum 30 day stays, concerned that in reality allowing renters to stay for shorter periods.
- Listings are more cryptic – no exterior photos
- Difficult to prove rentals are being conducted on a short term basis – i.e., documentation of receipts or rental documentation.
- New hosts are listed, while others stop listings.
- Cost recovery
- Low Penalty Fees – no incentive to comply.
- Many other cities experiencing same challenges – time intensive, cost intensive.

# Compliance Monitoring of Short Term Rental Activity

- Staff met with **Host Compliance**
- Now contracted with a number of cities.
- Ongoing, update list of STRs operating illegally or without the proper permits
  
- Are there other methods to monitor/track STR activity?

# STR Working Group – Summary Report of Community Feedback Received at the Forums

## What we heard:

*“I have no faith in the planning department's ability to enforce code violations; I have a constant problem with a neighbor on weekends and have been told the planning department doesn't do inspections on weekends!”*

*“Guests get lost and invade property looking for rentals; Who is in charge at city hall? Who can we direct complaints to?”*

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# STR Working Group – Summary Report of Community Feedback Received at the Forums

## What we heard:

*“Residents should be able to manage life in their own homes.”*

# STR Working Group – Summary Report of Community Feedback Received at the Forums

## What we heard:

*“Sausalito is turning into one big hotel”*

# STR Working Group – Summary Report of Community Feedback Received at the Forums

## What we heard: middle ground approach

*“Do not lose housing stock! Noise impacts can be regulated; Limit # of permits in an area to principal family residences”*

*“No rentals longer than 60 days total a year”*

*“Enforcement is key; Must be owner occupied rental, not absentee;”*

*“I agree that we should consider homesharing where the owner is on the premise [but] we should not let people rent their homes in ways that allow them to profit while negatively impacting their neighbors...”*

## STR Working Group – Summary Report of Community Feedback Received at the Forums

### **What we heard: Regulation would enable more effective enforcement**

*“It appears that the City of Sausalito does not currently have the funds or manpower to enforce a complete ban, but if the City collected TOT taxes, it could dedicate some of those funds to enforcement.”*

*“Can't effectively ban it, so deal with it.”*

# Take-aways

- Provided a record and opened a community-wide dialogue.
- Education and outreach – cast a wide net to the community
- Divided issue – there are as many PROS as there are CONS
- This planning issue is time-consuming
- Code enforcement on STRs have to be addressed.

# Discussion in Sausalito continues....

## City Council appointed a Task Force

Focused discussion to reach policies:

- Consider assistance from Host Compliance to supplement code enforcement
- Consider a penalty fee increase to impose on short term rentals that are operating illegally.
- Devise a plan to work with platforms to get reporting data.
- Study impact on Accessory Dwelling Units – could they be used for STRs?
- Consider establishing a program, regulations/restrictions on short term rentals (new ordinance?)