



Legislation Text

File #: 18-0336, **Version:** 1

TO:

Honorable Mayor and Members of the City Council

THROUGH:

Bruce Moe, City Manager

FROM:

Anne McIntosh, Community Development Director
Nhung Madrid, Senior Management Analyst

SUBJECT:

Presentation and Discussion Regarding Short-Term Rentals (Community Development Director McIntosh).

DISCUSS AND PROVIDE DIRECTION

RECOMMENDATION:

Staff recommends that the City Council:

- a) Discuss the goals and concerns of a short-term rental policy;
- b) Review and discuss policy/program options for short-term rentals;
- c) Provide direction for Zoning Code and Local Coastal Program (LCP) Amendments; and
- d) Based on the results of the discussion, direct staff to return with an ordinance based on City Council input and suggestions.

FISCAL IMPLICATIONS:

With the current prohibition, the City currently receives no Transient Occupancy Tax (TOT) from short-term rentals. If permitted, the City would receive TOT. Any increase in revenue would depend on the number of registered property owners who would be allowed to host short-term rentals, and under what circumstances.

Resources have been budgeted in fiscal year 2019-20 budget in the amount of \$80,000 for consulting services to implement and maintain a short-term rental program. However, depending on the extent of the program, additional staffing resources in Community Development may be necessary for code compliance.

BACKGROUND:

On March 6, 2018, the City Council held a discussion regarding short-term rentals, goals and concerns related to a short-term rental policy, and various policy and program options. Detailed information about the information presented at that meeting has been provided (Attachment 1). At that meeting, there was public testimony from eight individuals in favor of a short-term rental

program, as well as testimony from eight individuals opposed to a short-term rental program. Following public testimony, the City Council directed staff to return at a future meeting with additional information on a variety of issues related to insurance, parking, enforcement, revenue, licensing, inspection, numeric caps, platform agreements, and short-term rental policies and/or programs from other cities.

DISCUSSION:

As requested by the City Council, staff has researched the various issues related to short-term rentals and will present those findings at tonight's meeting. Staff is recommending that the City Council receive the presentation, discuss staff's findings and provide direction on next steps should the City Council support moving forward with a new policy/program.

PUBLIC OUTREACH/INTEREST:

Upon City Council's direction, a community outreach effort will be undertaken to inform the community of the City's goals, policies, and/program regarding short-term rentals.

ENVIRONMENTAL REVIEW

The discussion item is exempt from the requirements of the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Section 15061(b)(3) because it can be seen with certainty that there will be no potential impacts on the environment.

Attachments:

1. March 6, 2018 City Council Staff Report and Attachments
2. PowerPoint Presentation