San Diego Community Working Group on Short Term Rentals Recommendations for 2019 STR Regulations

Fiscal Management

It is essential that a **new Enterprise Fund** dedicated to the administration, monitoring and enforcement of Short Term Rentals in San Diego be established. All fees and taxes from the San Diego STR industry must be set aside in this separate fund and immediately available to establish, operate and maintain Permitting, Monitoring, Enforcement and Code Compliance Systems and Resources.

Permit Requirements Citywide

- **1.** Limit STVRs to Primary Residence only.
- 2. Impose limits on the number of STVRs in a community. Determination of appropriate limits should give strong weight to recommendations from the communities affected. For example, 1-25 % to preserve our neighborhood character and quality of life, while acknowledging the desire to home share.
- 3. Limit proximity of STVRs to a range between 50 and 500 feet. Where this limit is currently exceeded, grandfather only existing STR Operators who have been paying TOT and other business fees and licenses.
- 4. STVR Permits do not convey when property ownership or primary resident changes.
- 5. Primary rental occupant must be an adult, age 25 years or older, who must be present on rented STR unit or property.
- 6. Occupancy: sleeping/night, is limited to two (2) persons per bedroom, plus two (2), 10:00pm-8:00am.
- 7. Daytime occupancy shall not exceed two (2) times the allowed night time occupancy or a maximum of twenty (20) persons whichever is less.

Permit Requirements Mission Beach

- 1. STRs are not limited to primary residence only
- 2. For all single family, multiple family, apartments & condominiums, the maximum allowed quantity of STR units in Mission Beach shall not exceed thirty (30%) percent of the total dwelling units (Unit total to be based on SANDAG). http://datasurfer.sandag.org/howto. Excluded from the thirty (30%) percent STR limit are the following: a) STRs within a commercial zone; and b) STRs that are part of an owner occupied property.
- 3. Existing Transient Occupancy Tax (TOT) certificate holders with a payment history will receive one (1) year from the enactment of the new ordinance to submit an application and become compliant with the new regulations.
- 4. New STR permits will only be issued when the number of existing STR permits is less than thirty (30%) percent of the dwelling units in Mission Beach, excluding STRs in commercial zones or owner occupied properties with STRs.
- 5. Minimum stay of three (3) nights required.

Monitoring & Enforcement

Currently, the City of San Diego is unable to adequately address the many noise, nuisance, public health and environmental damage complaints related to Short Term Rentals Industry (STRs). A new enforcement system is proposed based on communication, education and technology. Its goal is to improve the vacation rental environment for everyone. The system offers the potential to resolve complaints on the same day as reported disturbances, often in less than an hour. It provides a new level of assurance to complainants through the public online tracking and progress of resolution of complaints.

More significantly, the proposed system assigns responsibility for STR-related complaints to Police Investigative Service Officers (PISO), eliminating sworn Police Officer and Code Compliance Officer from their current burden. Current technology provided PISO officers with the resources to respond to STR noise/nuisance complaints much more efficiently and at significantly reduced cost, compared to expanding the current Police and Code Compliance-based system. Funds to provide the human and technology resources needed to implement monitoring and enforcement would come from the Enterprise Fund noted above.

The Addendum, 'Enforcement: A Proposed New System' offers detailed recommendations on a low-cost, but effective enforcement system, which are highlighted below. <u>Please refer to the</u> addendum for specifics.

- Include STR Permits on the Development Services Ministerial Permit Map (https://opendsd.sandiego.gov/Web/Maps/ApprovalsMinisterial), including owner name, local contact for rental information and problem resolution for all permitted STVRs. Include Code Enforcement Actions (https://opendsd.sandiego.gov/Web/Maps/CECase
- 2. Require Owner to post a sign legible from the street with the owner Permit # and 24 hour Owner Response #.
- 3. Establish a 24/7 Nuisance Response Plan to ensure fair and effective response to complaints about STRs. It should include a Short Term Rental Hotline and electronic tools such as webpages.
- 4. Punish Violations with effective fines and penalties:

Proposed Fines and Penalties:

- First Offense \$1000 fine to renters and property owner;
- Second Offense \$2500 fine to STR Owner and \$1000 to STR Renters;
- Third Violation: \$5000 fine to property owner, plus **revocation of STR Permit**; and \$1000 fine to STR Renters.
- 5. Post a "Good Neighbor Policy" on the STR page of the City website and in a prominent location on the STR property that includes:
 - Notice that the STR is operating in a residential area, not a commercial zone, and that renters must respect the rights of neighbors.
 - Provide notice that no business signs can be displayed, and that regulations for lighting intensity, locations and operating hours are enforced.
 - Provide San Diego Noise Ordinance Information for Residential areas, including a simple explanation of the 40 decibel limit from 10 p.m. to 7 a.m.

SD COMMUNITY WORKING GROUP ON SHORT TERM VACATION RENTALS (STR)

 Provide Notice that Violations of the Noise Ordinance can result in fines of up to \$1000 for each renter.

Adopt and Utilize San Francisco as Model for San Diego

- Comprehensive Ordinance
- Website and Administration
- Directive to Hosting Platforms

In addition to the STR Working Group Enhanced Monitoring and Enforcement Outlined Above:

 Engage Neighbors & Community in Active Monitoring, Rapid Response & Stiff Penalties.

S/*Ann Kerr Bache Chair San Diego Working Group on Short Term Rentals President, La Jolla Town Council

S/ Mack Langston Vice President University City Community Associations

S/ Chris Brewster Public Health & Safety Expert

S/Tom Coat President HomesFirstForSanDiego

S/Matt Gardner President, Mission Beach Town Council

Mark Winkie President, Ocean Beach Town Council

Karl Rand Chair, Pacific Beach Community Planning Association

Lynn Haims Vice President, Clairemont Town Council

S/* indicates approved and signed – no S/ means pending review

Addendum to Recommendations for Regulations:

SD Working Group on Short Term Rentals: Enforcement: A Proposed New System

Because of widespread frustration with the inability of the City's current enforcement system to adequately address noise/nuisance complaints related to short-term vacation rentals (STRs), a new enforcement system is proposed.

This new system is based on communication, education and technology. Its goal is to improve the vacation rental environment for everyone involved. It has the potential to resolve complaints on the same day as reported disturbances, often in less than an hour. It also provides a new level of assurance to complainants because the progress of complaints will be able to be tracked online.

Most significantly, this new system replaces sworn police officers and Code Compliance officers as the first responders to STR-related complaints with Police Investigative Service Officers (PISO). Through the use of modern technology, PISO officers will be able to handle STR noise/nuisance complaints much more efficiently than in the past and at significantly reduced cost compared to what the City would experience if it tried to expand its current police/Code Compliance-based system to adequately address STR noise and nuisance complaint enforcement.

Requirements for the new enforcement system

- Full-time dedicated PISO officers.
- Technological help to create a database of 24/7 contacts from STR permit applications.
- Technological help to create additional web pages on the City's website that are dedicated to vacation rentals.
- The creation of a vacation rental complaint hotline.
- The launch of a City-driven public relations campaign to inform the public about this valuable new service.

Why this system is needed as part of a new ordinance

Past City Council discussions about vacation rental regulations have not adequately addressed details about noise/nuisance enforcement. That has begged the question of how regulations would be enforced. With thousands of people showing up at City Council hearings complaining that they have been negatively impacted by STR noise/nuisances, this is a huge question that simply cannot be left unanswered. The new system being proposed has the backing of STR opponents *and* supporters, as well as community town councils. It is time to come together for a solution on vacation rentals. This noise/nuisance enforcement system is critical to making that happen.

How the proposed new enforcement works

- 1. Sworn police officers and Code Compliance officers are eliminated as first responders to STR-related noise/nuisance complaints.
- 2. Using information from STR permit applications, a database will be created that includes:
 - a. Name, 24/7 contact number of STR owner;
 - b. Name, 24/7 contact number of local contact (it is highly recommended that this contact be a San Diego-based vacation rental manager);

SD COMMUNITY WORKING GROUP ON SHORT TERM VACATION RENTALS (STR)

- c. Address of vacation rental.
- 3. Pages dedicated to vacation rentals are added to the City's website to include:
 - a. "Good Neighbor" policy;
 - b. Descriptions of applicable City ordinances including, but not limited to, noise, trash, and parking;
 - c. Searchable via incident numbers progress reports on complaints (see Section 6 below).
- 4. A vacation rental complaint hotline will be created by the City and publicized via a public relations campaign as the number to call with STR-related noise/nuisance complaints.
- 5. PISO officers will be hired and trained to be the first responders in handling STR-related noise/nuisance complaints.
 - a. Training will include a focus on City regulations that are likely to be the subject of complaints, including noise, parking, trash, the number of allowed transients per unit, etc.;
 - b. The shifts of PISO officers will include hours and days (Friday and Saturday) when most complaints are lodged;
 - c. PISO officers will man the vacation rental complaint hotline;
 - PISO officers will ask complainants for a brief description of the nature of the disturbance/nuisance and the address of the STR. The PISO officer will then provide an incident number to complainants if the address given is included in the City's STR database. If the address is not in the City's STR database, a field visit should be ordered to check for compliance, as well as any violations. This is in addition to the complainant being told the address is not on the STVR database of addresses and to contact Code Compliance independently, if the complainant wishes.
 - d. Once a complaint call is received, the PISO officers will use the STR database to find the appropriate local contact name/number to call;
 - e. The PISO officer will inform the STR 24/7 contact that a complaint has been made:
 - f. The PISO officer will provide information about the nature of the complaint and educate the STR contact about City ordinances that may apply;
 - g. The PISO officer will instruct the STR 24/7 contact to inform his/her vacation renters that a complaint has been made and, if follow-up action is required, fines and other penalties may be levied against the vacation rental host and transient renters.
- 6. The PISO officer will create a trackable report on the progress of the complaint on the City's vacation rental web pages by entering the following information:
 - a. The incident number;
 - b. The time of the call;
 - c. The time the report was posted on the City website;
 - d. One of two automated messages:

SD COMMUNITY WORKING GROUP ON SHORT TERM VACATION RENTALS (STR)

- i. The STR 24/7 contact was advised of the complaint;
- ii. The STR 24/7 contact did not answer, which constitutes a violation of the ordinance.
- 7. Complainant can call the vacation rental complaint hotline back 30 minutes after the report is posted on the City website if the disturbance is continuing, at which point:
 - a. The incident will be escalated to require an on-site visit from either a PISO officer in the field or a sworn police officer at the highest priority available at the time;
 - b. The PISO officer in the field and/or a sworn police officer can determine if fines/penalties are warranted;
 - c. The incident will be updated on the City's website.
- 8. Incident reports will be forwarded to Code Compliance/City Attorney's office for future action, which will be recorded on the City's website.

Additional notes:

- 1. Proposed fines/penalties:
 - a. First offense \$1,000 fine to renters and property owner;
 - b. Second offense \$2,500 fine to property owner and \$1,000 fine to renters;
 - c. Third offense \$5,000 fine to property owner, plus revocation of STR permit; and \$1,000 fine to renters.
- 2. Compliance enforcement i.e., ensuring that vacation rentals are legally permitted is a separate topic and not addressed in this section, with the exception of Section 5d (complainant being advised by a PISO officer to contact Code Compliance if a property is not on the City's STR database and the complainant believes it may be being used as an STR without a permit).