

# City of Millbrae

Short Term Residential Rental Ordinance  
Policy Consideration  
City Council Meeting – May 22, 2018



# Short Term Residential Rental Overview

- Currently short term residential rentals (units) are banned in in the R-1 and R-2 zones in Millbrae
- Approximately 200+ of these units are estimated to be operating
- Need to address the advent of short term residential rentals within the City
- Given the lack of available information on these units and appropriate policy in place, enforcement is hampered and could benefit from policy designed to best address an emerging shift in land use
- An ordinance designed to address community concerns which can provide for improved mechanisms for both law enforcement and the City of Millbrae is needed while allowing the use to exist and operate properly

# Goals

- Address the complex issue created by emerging markets in the context of fit within local land use policy and enforcement
- Institute a permitting process that will allow the City to obtain necessary information on short term residential rentals and their operators
- Establish operating rules for short term residential rentals that will preserve the residential character of neighborhoods
- Creates an avenue to collect Transient Occupancy Tax revenue streams on the same level traditional sources (hotels, motels, i.e. commercial lodging)
- Provide additional tools to peace officers and code enforcement officers in case of disturbances
- Mitigate impacts on the housing stock for home owners and long term renters

# What Units Can Be Short Term Residential Rentals?

- Short term residential rentals allowed as an accessory use in residential districts (units required to be in compliance with all other rules and regulations)
- Only single family homes, units in duplexes, triplexes, and multifamily dwellings, and accessory dwelling units may be rented, in whole or in part.
  - No rental of non-residential structures (commercial buildings, tents, etc.)
- Short term residential rental units must be the primary residence of the lessors.
  - Number of nights units can be made available for rent is capped at 100 for non-hosted units

# Permitting Process

- Permits required:
  - Short Term Residential Rental Permit
  - Business License
  - Transient Occupancy Tax Registration Certificate
- Applicants for non-hosted rentals must provide two authorized agents who have the authority to manage the property
- Short Term Residential Rental permit can be revoked where the use is detrimental to public health, safety, or welfare, for repeated violations of operational rules or for failure to pay taxes

# Short Term Residential Rental Registry

- City will create and maintain a citywide registry of all short term residential rentals, the current authorized representatives, and their contact information
- Registry will be available to the public
- Approval of permit would require Community Development Department to issue a notice to all property owners within 500 feet that provides pertinent information on the rental

# Operational Rules

- Distinguishes between “hosted” and “non-hosted” units
- Nighttime hours occupancy may not exceed two person per bedroom plus two additional persons per unit
- Daytime occupancy is limited to twice the nighttime occupancy per unit
- No additional parking would be required. Number of vehicles of renters and guests is limited to the number of onsite parking spaces. Existing onsite parking spaces must be made available to renters and guests.
- Weddings, corporate events, commercial functions, and any other similar events which have the potential to cause traffic, parking, noise or other problems in the neighborhood are prohibited from occurring at the Short-Term Rental Unit, as a component of Short-Term Rental activities.

# Transient Occupancy Tax (TOT)

- Provides an avenue for the City to collect TOT for a use occurring in and impacting the City
- Revenue estimated to have the potential to provide approximately \$600,000 annually to the City
- Increased reporting requirements for hotel operators, including short term rental operators
- Generated revenues could provide the opportunity to hire additional code enforcement staff to improve upon the overall health and safety of the City



# Code Enforcement and Policing

- Potential to better regulate with additional staff resources
- Ordinance provides policy for code enforcement and additional tools for law enforcement to handle disturbances
- Allows for a better understanding of where the units are located and contact information for the responsible parties which places law enforcement in a better position
- Authorized agents required to respond in person to disturbances at the property
- Authorized agents required to allow officers to access the unit where the officer reasonably suspects illegal activity, including violations of the operating restrictions
- Lessors are strictly liable for violations of the operating restrictions by their guests

# Thank you

Comments and questions are welcome.