

MEMORANDUM

TO: HONORABLE MAYOR AND CITY COUNCIL

FROM: CITY MANAGER JERALD P. TAYLOR

**RE: SUMMARY OF ADOPTED ORDINANCE CHANGES
SHORT TERM RENTAL REGULATIONS**

DATE: MAY 14, 2010

The following is a summary of most of the changes in short term rental regulations adopted by the City Council at its May 5, 2010 meeting. The Ordinances become effective June 4, 2010. The two proposed Resolutions will be considered by the Council at its June 9, 2010 meeting.

Ordinance 10-02 Amending Zoning Ordinance

- Removes procedural requirements for short term rentals from the Zoning Ordinance 95-4 as the new Ordinance is intended to consolidate these rules in one document.

Short Term Rental Ordinance 10-03

- Clarifies that if a person has a short term rental license, that person is not eligible for an additional license as a member of a group or other form of beneficial ownership. Clarifies that transfer of ownership to a trust or to a family member pursuant to a will is not deemed to be a change of ownership. (Section 3(c))
- For new short term rental licenses, requires utilization of the license in order to keep the license. (Section 3(h))
- Allows a voluntary, size limited identification sign attached to the short term rental identifying the dwelling as a short term rental and listing a telephone number for a contact person or agency. In lieu of the sign, requires notification of neighbors of the short term rental license. (Section 4(b))
- Deletes the requirement for renters to register cars with the City. Requires that off-street parking be provided and available for renters. (Section 4(c))
- Redefines responsibilities of a contact person and makes clear that the local contact person must be available at all times to address issues with the short term rental. (Section 4(d))
- Requires certain emergency information to be placed in every short term rental. (Section 4(f))
- Requires periodic safety reinspection of short term rentals at least every five years and requires owners to correct identified deficiencies. Allows a certified building inspector other than the City's inspector to conduct the inspection. (Section 5(b))
- Defines a maximum occupancy capacity and requires that the occupancy capacity be specified at the time a short term rental license is issued or renewed, and prohibits increased occupancy

capacity from new construction or additions constructed after the license is issued. (Section 5(c))

Ordinance 10-04 Amending Transient Lodging Tax Ordinance

- Clarifies that a tax return must be filed even if no taxes are collected during that reporting period. (Section 3)
- Modifies penalty for not turning in a tax return and remittance on time to be the greater of \$100 or 10% of the tax due. (Section 4)

NOTE: The following Resolutions will be considered by the City Council at its June 9, 2010 meeting.

Fee Resolution

- Increases annual short term rental license fee from \$150 to \$500 and allows up to a \$350 credit towards the fee based on the amount of transient lodging tax remittance to the City.

Emergency Information Resolution

- Specifies that a tsunami evacuation map and other emergency information is required to be placed in each licensed short term rental, and reiterates that the name and phone number of the local contact person must be posted in the rental unit.