

DALY CITY INTER-OFFICE MEMORANDUM

CITY COUNCIL COMMITTEE

DATE: September 1, 2020

TO: City Council Committee
Glenn Sylvester, Mayor
Raymond Buenaventura, Council Member

FROM: Carmelisa Morales, Associate Planner

SUBJECT: Proposed Short-Term Rental Ordinance Review

BACKGROUND

In April 2018, the City Council convened a Task Force to discuss issues and potential regulations related to short-term rentals (i.e. homeowners renting their entire home or individual rooms within their home on a short-term basis (i.e., 30 days or less)). The timeline below outlines the subsequent meetings conducted on short-term rentals and the proposed Short-Term Rental Ordinance (Ordinance). A brief summary of each meeting and the changes made to the Ordinance, if any, after each meeting are also included.

- April 25, 2018 Short-Term Rental Task Force Meeting: City staff provided an overview of the short-term rental market in Daly City, the associated potential revenue loss, and steps other cities have taken to address the impacts of short-term rentals. Task Force members expressed their concerns and made suggestions such as requiring owner-occupancy, not allowing short-term rentals in City-approved accessory dwelling units and limiting the number of days a homeowner can use their home as a short-term rental.
- March 11, 2019 City Council Study Session: The Task Force findings and an overview of the current short-term rental market in Daly City were presented to the City Council. Upon review of the information presented and input from staff and the public, the City Council directed staff to develop an Ordinance.
- March – September 2019 Research & Ordinance Formulation: Staff retained the consulting and data collection services of Host Compliance, a firm that provides short-term rental compliance monitoring and enforcement solutions to local governments, to advise staff through the ordinance formulation process. Staff also met with representatives from Airbnb, a hosting platform that provides a means through which a host may offer a dwelling unit, or portion thereof, for home-sharing, to learn about voluntary collection agreements (VCA), an agreement between a city and a hosting platform where the hosting platform collects transient occupancy tax (TOT) on behalf of the city.
- October 14, 2019 City Council Meeting: The Ordinance and Short-Term Rental Permit fees were introduced to the City Council. City Council directed staff to review the public comments received and revise the Ordinance accordingly. The following changes were made to the Ordinance:

- Only applicable to short-term rentals located outside the Coastal Zone until a Local Coastal Program Amendment is certified by the California Coastal Commission;
 - Both owners and tenants allowed to rent their primary residences as short-term rentals, but primary residency is still required;
 - Duplexes and properties with multiple rental units added as permitted locations for short-term rentals; and
 - Notarized supplemental authorization form required if the host is not the owner of the dwelling unit or property.
- October 28, 2019 City Council Meeting: No public hearing conducted. The City Council continued discussion of the Ordinance to November 25, 2019 to allow for enough time for a time-sensitive item on the agenda that evening.
 - November 25, 2019 City Council Meeting: The revised Ordinance was introduced to the City Council. After a public hearing was conducted with four out of the five Council members in attendance, the City Council decided to continue discussion to the January 13, 2020 meeting so all Council members could be in attendance. The Council also directed staff to consider the public input received and revise the Ordinance accordingly. The following changes were made to the Ordinance:
 - Clarified that a booking may consist of the short-term rental of one or more bedrooms in the home or the short-term rental of the entire home;
 - Clarified that a short-term rental may operate in conjunction with a long-term rental (the rental of a primary residence for periods of more than 30 consecutive days) in the home since the Ordinance does not regulate long-term rentals;
 - Removed the evidence of insurance coverage requirement as it was deemed not necessary; and
 - Revised short-Term Rental Permit fees to include estimated costs for software and contractual services for compliance and monitoring of short-term rentals. The fees for a new Short-Term Rental Permit and a renewal of a Short-Term Rental Permit were revised from \$165.00 to \$225.00 and \$82.50 to \$142.50, respectively.
 - January 13, 2020 City Council Meeting: The revised Ordinance was introduced to the City Council. The public comments received were similar to those received in the previous public hearings ranging from hosts of short-term rentals seeking less restrictive regulations, homeowners living directly next to or near short-term rentals unable to tolerate the nuisances associated with short-term rentals, and the general public largely

concerned about the loss of residential character and long-term housing in Daly City due to short-term rentals. The City Council directed staff to specifically research the eligibility criteria to become an Airbnb “superhost” and the primary residency requirements and permit fees of other jurisdictions. Discussion of the Ordinance was continued to a date uncertain.

With no adopted ordinance to date, short-term rentals continue to be unregulated in Daly City and no TOT is being collected for short-term rentals. Currently, the only fees collected for short-term rentals is the business license fee of \$110.00.

The Economic and Community Development Department and Finance Department continue to receive numerous complaints related to short-term rentals operating in Daly City and inquiries from the public regarding the status of the Ordinance and enforcement of short-term rentals. With no adopted ordinance in place, staff lacks the enforcement mechanisms to address these complaints and inquiries and the City continues to forego an opportunity for potential revenue.

DISCUSSION

As directed by the City Council at their January 13, 2020 meeting, staff has researched the Airbnb “superhost” criteria and the primary residency requirements and permit fees of other jurisdictions.

Airbnb Superhosts

The term “superhost” is specific to the Airbnb hosting platform. The Airbnb Superhost status is designed to reward the top-rated and most experienced hosts. The status is awarded automatically to hosts every three months if they meet the following criteria: an average rating of 4.8 stars or higher (out of 5 stars), at least 10 stays per year or 100 nights over three years, a less than one percent cancellation rate, and a 90 percent response rate within 24 hours (see Attachment A – Airbnb Superhost Status). The Superhost status offers indirect benefits to host such as increased visibility on the platform and trust from guests with a “Superhost badge” added to the host’s profile and listing(s) and being included in a search filter specific to superhosts. Although not directly stated on the Airbnb website, it is assumed that if you no longer meet the specific criteria in the next review period, a host would lose the Superhost status.

Ordinance Comparison

Staff prepared a table comparing the regulations in the most recent draft of the proposed Ordinance (see Attachment B – Proposed Short-Term Rental Ordinance) to the short-term rental regulations of the following cities: San Francisco, Berkeley, Santa Monica, Los Angeles, and Redwood City (see Attachment C – Ordinance Comparison).

All five cities have a primary residency requirement. San Francisco, Berkeley, and Redwood City require the host to reside in the home for a minimum of nine months each year. Some cities have more specific requirements such as specifying the exact number of days per year (San Francisco requires a minimum of 275 days) and hours the host must be on the premises

(Redwood City requires the host on the premises from 10:00pm – 6:00am). In contrast, Santa Monica requires hosts to reside in the home all year and therefore does not allow any un-hosted stays. On the City of Santa Monica’s website, they indicate that detrimental impacts on the character of residential neighborhoods such as homes turning into de facto hostels or hotels and thus leading to excessive noise and safety concerns and monopolizing available parking is the reason for the strict primary residency requirement.

When compared to the other cities researched and the City’s proposed Ordinance, Los Angeles’ regulations are drastically different. Los Angeles requires the host to reside in the home for a minimum of six months and has a day limit of 120 days (includes both hosted and un-hosted stays). Additionally, if hosts would like to exceed the 120-day limit, they may apply for an “extended home-sharing” registration. To participate in extended home-sharing, hosts must meet specific eligibility criteria related to their registration status and citation history. The fees for the extended home-sharing registration is in addition to the regular short-term rental permit and varies depending if administrative or discretionary review is required.

Regarding short-term rental registration fees, the City’s proposed fee of \$225.00 for new permits is comparable to San Francisco (\$450.00 and valid for two years), Berkeley (\$220.00), and Redwood City (\$218.00). San Francisco, Santa Monica, and Los Angeles also require business licenses, but Santa Monica and Los Angeles’ registration fees are less than half the amount of San Francisco and Redwood City.

STAFF RECOMMENDATIONS

Based on the information presented in past meetings and this report, the City’s proposed primary residency requirement and permit fees for short-term rentals are in line with many cities in California. However, the amount of time a host must reside in their home varies by jurisdiction. Staff is amenable to revising the definition of “primary residence” to a lower minimum number of days a host must reside in their home but recommends selecting a number no less than 120 days per year to prevent homeowners from claiming more than one primary residence. This change to the Ordinance would still accomplish the long-term goals of preserving long-term rental housing in Daly City and protecting the neighborhood character and livability from nuisances often associated with short-term rentals.

Regarding the proposed fees, staff anticipates the costs for software and contractual services for compliance and monitoring of short-term rentals to increase when these services are rendered after adoption of the Ordinance. Therefore, since the proposed fees currently account for staff’s time in addition to the current estimated costs for software and contractual services for compliance and monitoring, staff does not recommend any changes at this time and would prefer to review the fees after the first year of implementation of the Ordinance.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Carmelisa Morales', written in a cursive style.

Carmelisa Morales
Associate Planner

Attachments

- Attachment A – Airbnb Superhost Status
- Attachment B – Proposed Short-Term Rental Ordinance
- Attachment C – Ordinance Comparison



Superhost: Recognizing the best in hospitality

The Superhost program celebrates and rewards Airbnb's top-rated and most experienced hosts.

[Check your progress](#)

Superhost benefits

As a Superhost, you'll have more visibility, earning potential, and exclusive rewards. It's our way of saying thank you for your outstanding hospitality.

Earn extra money

Superhosts often benefit from a significant increase in earnings. More visibility and trust from guests can mean more money for you.

Attract more guests

You'll be featured to guests in search results, emails, and more. There's even a search filter to find Superhost listings. We'll also add a Superhost badge on your profile and listing so you can really stand out.

Access exclusive rewards

You'll get an extra 20% on top of the usual bonus when you refer new hosts. And after each year as a Superhost, you'll get a \$100 travel coupon.

How to become a Superhost

Every 3 months, we check if you've met the following criteria for the past year. If you do, you'll earn or keep your Superhost status.

4.8+ overall rating

Superhosts have a 4.8 or higher average overall rating based on reviews from their Airbnb guests in the past year. Guests know they can expect outstanding hospitality from these hosts.

10+ stays

Superhosts have completed at least 10 stays in the past year or 100 nights over at least 3 completed stays. Your guests can feel confident staying with an experienced host.

<1% cancellation rate

Superhosts cancel less than 1% of the time, not including extenuating circumstances. This means 0 cancellations for hosts with fewer than 100 reservations in a year. Rare cancellations mean peace of mind for guests.

90% response rate

Superhosts respond to 90% of new messages within 24 hours. When guests ask you questions, they know that a quick response is only a message away.

Your questions answered

[What if I need to cancel because of an emergency?](#)

[Do I need to be hosting for at least a year to become a Superhost?](#)

[What's the difference between Airbnb Plus and Superhosts?](#)

[As a Superhost, how can I become a Plus host?](#)

Connect with Superhosts

Join the community



Superhost Terms and Conditions

The Superhost Program provides benefits to hosts who have distinguished themselves by reaching and maintaining specific performance goals. You don't need to apply for the Superhost program. If you meet the qualifications, you'll automatically receive your Superhost status on the next review date.

Airbnb does not endorse any Superhost, nor guarantee or control the quality, safety, suitability, or conduct of any host, regardless of whether or not a host is a Superhost. If you qualify for the Superhost status, this means you've met our Superhost performance standards, which are measured by an automated system. It does not mean that Airbnb endorses, certifies or approves your listing or you as a host. You remain entirely responsible for complying with applicable laws and for all your other obligations under our Terms of Service.

Airbnb may terminate the Superhost Program at any time for any reason.

Qualifications

To qualify as a Superhost, hosts must: (1) have an Airbnb account in good standing, and (2) satisfy the minimum performance standards detailed at the Superhost Program Page. Superhost qualifications are valid only for the qualification period, and your Superhost badge may be revoked if you fail to meet the qualification standards. Superhost qualifications and performance standards may also be changed from time to time at Airbnb's sole discretion.

Hosts can review their performance history and eligibility status at the host dashboard.

Superhost Evaluations

Qualification is automatically evaluated every 3 months ("qualification period") on the first day of every calendar quarter ("review date"). If a host satisfies the performance standards and other qualifications for the most recent 12 months from the review date, then the host is automatically eligible to become a Superhost for the qualification period. (For example, if the review date is on July 1, 2014, then a host's performance from the most recent previous 12 months from July 1, 2014 is measured.)

Superhost status is automatically revoked at the next review date if the host did not meet the performance standards during the most recent 12 months. Airbnb may, but is not obligated to, notify hosts of their Superhost status revocation. Hosts who have had their Superhost status revoked may regain their Superhost status during a future qualification period if they meet the qualifications for the most recent previous 12 months on that review date.

If you qualify to become a Superhost, a badge indicating your status as a Superhost will automatically be added to your Airbnb profile and your listing pages for as long as you continue to qualify. Occasionally this may take some time for our automated systems to process. The delay in the appearance of the badge doesn't impact your Superhost

status, and you will still be able to receive the benefits once you qualify as a Superhost. If you wish to turn off your Superhost badge, please contact Airbnb. Turning off your badge does not affect your Superhost status; you'll still be able to enjoy the benefits of being a Superhost. If you want to turn your badge back on, please contact Airbnb.

Superhost Badge

Any use of the Superhost badge not specifically allowed by these terms is not permitted. You are not allowed to use or display your Superhost badge outside of your listing on Airbnb.

Qualifying as a Superhost does not give you any ownership or other proprietary rights in the Superhost badge or other Airbnb intellectual property, other than as provided in these terms. Airbnb retains all rights, title and interest in and to the Superhost badge, trademark, and other protected materials.

Being a Superhost

We want hosts to be proud of their Superhost status, but please don't:

- Claim to be endorsed by, an agent or representative of Airbnb, or otherwise misrepresent your association with Airbnb.
- Use your Superhost badge in association with any materials that are false, misleading, offensive, defamatory, obscene, vulgar, pornographic, harassing, illegal, or that violate the rights of any third party.
- Commercialize the Superhost badge (such as by creating, importing, or selling merchandise with the Superhost badge or by displaying your Superhost badge on third party websites or mobile applications).

Benefits

Superhosts enjoy special benefits, which can be found at the Superhost Program Page. These benefits may be subject to additional terms stated on that page, and may be changed or discontinued by Airbnb at any time with or without notice to you.

Indemnity

You agree to release, defend, indemnify, and hold Airbnb harmless from all claims, suits, damages, costs and expenses, including attorneys' fees, associated with your misuse of the Superhost badge or with any false or misleading statement, act or omission by you in relation to your designation as a Superhost.

Termination

Participation in the Superhost program is a privilege, not a right. Your Superhost status, privileges, and license to the Superhost badge may be revoked at our sole discretion if you violate these terms, the Airbnb Terms of Service or other any other Airbnb terms & conditions applicable to you. Your Superhost membership, privileges, and license to the Superhost badge will be automatically suspended or terminated if: (a) you no longer meet the qualifications, (b) stop hosting, or (c) your listing or Airbnb account is suspended or cancelled, as the case may be.

Disclaimer

THE SUPERHOST BADGE AND ANY OTHER MATERIALS, AND THE SUPERHOST BENEFITS, ARE PROVIDED HEREUNDER "AS IS." AIRBNB DISCLAIMS ALL LIABILITIES AND WARRANTIES INCLUDING BUT NOT LIMITED TO ANY WARRANTIES OF MERCHANTABILITY, SATISFACTORY QUALITY, FITNESS FOR A PARTICULAR PURPOSE, QUIET ENJOYMENT OR NON-INFRINGEMENT. THE SUPERHOST BADGE OR SUPERHOST STATUS IS NOT IN ANY WAY AN ENDORSEMENT BY AIRBNB OF ANY HOST OR LISTING.

Limitation of Liability

AIRBNB WILL NOT BE LIABLE FOR ANY INCIDENTAL, SPECIAL, EXEMPLARY OR CONSEQUENTIAL DAMAGES, INCLUDING LOST PROFITS, LOSS OF DATA OR LOSS OF GOODWILL, SERVICE INTERRUPTION, COMPUTER OR MOBILE DEVICE DAMAGE OR SYSTEM FAILURE, OR FOR ANY DAMAGES FOR PERSONAL OR BODILY INJURY OR EMOTIONAL DISTRESS ARISING OUT OF OR IN CONNECTION WITH THESE TERMS OR THE SUPERHOST PROGRAM.

Severability

If any provision in these terms is held to be invalid, void, or unenforceable, such provision (or the part of it that is making it invalid, void or unenforceable) will be struck and not affect the validity of and enforceability of the remaining provisions.

Updates to the Terms

We can update these terms at any time without prior notice. If we modify these terms, we will post the modification on the Airbnb website, applications, or services, which are effective upon posting. By continuing to use Airbnb, after we have posted a modification, you are indicating that you agree to be bound by the updated terms. If the modified terms are not acceptable to you, your only recourse is to stop using Airbnb.

We may also entirely discontinue the Superhost program at any time, with or without notice to you.

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF DALY CITY ADDING CHAPTER 5.92 TO THE DALY CITY MUNICIPAL CODE RE: SHORT-TERM RENTALS

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF DALY CITY DOES ORDAIN AS FOLLOWS:

SECTION 1. Chapter 5.92 of Title 5 of the Daly City Municipal Code is hereby added to read as follows:

**Chapter 5.92
SHORT-TERM RENTALS**

- 5.92.010 Purpose**
- 5.92.020 Applicability**
- 5.92.030 Definitions**
- 5.92.040 Eligibility**
- 5.92.050 Requirements**
- 5.92.060 Fees**
- 5.92.070 Expiration and Renewal**
- 5.92.080 Enforcement**
- 5.92.090 Amnesty Period for Short-Term Rentals**

5.92.10 – Purpose.

The purposes of the Short-Term Rentals related regulations contained in this Chapter are:

- A. To prevent long-term rental units from being replaced with Short-Term Rentals and protect affordable housing units from conversion.
- B. To preserve and protect neighborhood character and livability from nuisances that are often associated with Short-Term Rentals.
- C. To generate City revenue to share City infrastructure cost and other public expenditures by operation of Short-Term Rentals under established standards.
- D. To provide alternative forms of lodging.

5.92.020 – Applicability.

The following standards apply to short-term rentals whereby a dwelling unit is shared, in whole or in part, for transient occupancy as a way of generating rental income.

5.92.030 – Definitions.

For the purposes of this Chapter, the following terms shall have the following meanings:

- A. **“Bedroom”** means a part or division of a building enclosed by walls, floor, and ceiling intended and designed for sleeping.
- B. **“Condominium”** means a single, individually-owned dwelling unit in a multi-unit building in which the owner holds sole title to the unit, but owns land and common property (i.e. elevators, halls, roof, stairs, etc.) jointly with other unit owners, and shares the upkeep expenses on the common-property with them.
- C. **“Guest”** means any person who exercises occupancy or is entitled to occupancy by reason of concession, permit, right of access, license or other agreement for a period of thirty consecutive calendar days or less, counting portions of calendar days as full days. Any such person so occupying space in a home shall be deemed to be a transient until the period of thirty days has expired unless there is an agreement in writing between the host and the guest providing for a longer period of occupancy. In determining whether a person is a transient, uninterrupted periods of time extending both prior and subsequent to the effective date of the ordinance codified in this chapter may be considered.
- D. **“Home-sharing”** means an accessory use of a primary residence for the purposes of providing temporary lodging, for compensation, for periods of 30 consecutive days or less.
- E. **“Host”** means an owner or tenant of a dwelling unit who rents their primary residence for home-sharing under this Chapter.
- F. **“Hosted stay”** means a home-sharing activity whereby the host remains on-site throughout the guest’s stay (except during daytime and/or work hours).
- G. **“Hosting platform”** means a business or person that provides a means through which a Host may offer a dwelling unit, or portion thereof, for home-sharing. A Hosting Platform is usually, though not necessarily, provided through an internet-based platform. It generally allows a property owner or tenant to advertise the dwelling unit through a website provided by the Hosting Platform and provides a means for potential guests to arrange short-term rentals, whether the guests pay rent directly to the Host or to the Hosting Platform.
- H. **“Primary residence”** means a host's permanent residence or usual place of return for housing as documented by evidence of occupancy as determined by the Finance Department and Planning Department. A person may only have one primary residence and must reside there for a minimum of nine (9) months per year.
- I. **“Un-hosted stay”** means a home-sharing activity whereby the host remains off-site during the guest's stay.
- J. **“Vacation rental”** means a dwelling unit that is not a primary residence and which is available for temporary lodging for compensation. The term "vacation rental" shall not include single-room occupancy buildings, bed and breakfast inns, hotels, or corporate housing.

5.92.40 – Eligibility.

- A. Short-term rentals shall be permitted in single-family residences, condominiums, duplexes, townhomes, and properties with multiple rental units. For owner-occupied properties with multiple rental units, the owner of such property may only host a short-term rental in the dwelling unit that is their primary residence.
- B. Short-term rentals shall not be permitted in inclusionary housing or other income-restricted housing units or on properties with accessory dwelling units.
- C. Vacation rentals, as defined in this Chapter, are prohibited and shall not be operated in the City.

5.92.050 – Requirements.

The host is required to obtain a business license from the Finance Department and Short-Term Rental permit from the Planning Division before renting any primary residence to any guest.

- A. **Business License.** To apply for a business license, a host shall file an application with the Finance Department as stipulated in Chapter 5.12 (*Licensing Regulations*) and obtain a Transient Occupancy Registration Certificate from the Finance Department as stipulated in Chapter 3.32 (*Transient Occupancy Tax*).
- B. **Short-Term Rental Permit.** To apply for a Short-Term Rental permit, a host shall file an application with the Planning Division on a form provided by the Planning Division, and shall include all information required by the instructions on the application and the guidelines necessary to implement this Chapter.
 - a. **Eligibility Requirements.** The following requirements must be met for approval of a Short-Term Rental permit:
 - i. The host shall sign a notarized affidavit confirming the following:
 - 1. The short-term rental unit is their primary residence. If the host is not the property owner, a notarized supplemental authorization form signed by all property owners must be submitted with the application.
 - 2. The designated local responsible contact person will be available twenty-four (24) hours per day.
 - 3. The short-term rental is legally permitted and habitable based on building permit history. In the absence of a building permit record demonstrating such, the Building Official shall determine if the accessory structure is suitable for habitability and an inspection of the accessory structure may be required.
 - 4. The space used for short-term rental meets or exceeds fire and life safety requirements, including installation of smoke and carbon monoxide detectors, and adequate means of egress.
 - 5. The host has signed an indemnification and hold harmless agreement in a form approved by the City Attorney, agreeing to indemnify, save, protect, hold harmless, and defend the City of

Daly City, the City Council of the City of Daly City, individually and collectively, and the City of Daly City representatives, officers, officials, employees, agents, and volunteers from any and all claims, demands, damages, fines, obligations, suits, judgments, penalties, causes of action, losses, liabilities, or costs at any time received, incurred, or accrued as a result of, or arising out of host's actions or inaction in the operation, occupancy, use, and/or maintenance of the property.

6. The host shall adhere to the short-term rental regulations listed in Sections 5.92.050.C and 5.92.050.D.

b. For properties with active business licenses for short-term rentals issued prior to January 1, 2020, compliance with this Chapter shall be required upon expiration of said business license.

C. Short-Term Rental Regulations.

a. Un-hosted stays shall be limited to a maximum of 90 days per year. There shall be no limit for hosted stays.

b. If a dwelling unit is subject to the rules of a homeowners' or condominium association, this Chapter shall not grant any permission that invalidates or supersedes provisions regarding home-sharing.

c. Short-term rentals shall not be advertised for or used by more than two guests per bedroom plus two additional guests at one time.

d. Short-term rentals shall be limited to one booking per property per day. A booking may consist of the short-term rental of one or more bedrooms in the home or the short-term rental of the entire home. A short-term rental may operate in conjunction with a long-term rental, the rental of a primary residence for periods of more than 30 consecutive days, in the home.

e. No additional parking shall be required for short-term rentals. Existing on-site parking spaces shall be made available to guests.

f. Short-term rentals shall not adversely affect the residential character of the neighborhood nor shall the use generate noise, vibration, glare, odors, or other effects that unreasonably interfere with any person's reasonable enjoyment of his or her residence. To this effect, the short-term rental activity shall comply with all provisions of the Daly City Municipal Code, including, but not limited to Chapter 8.32 (*Litter*), Chapter 9.22 (*Disturbing the Peace*), and Chapter 10.40 (*Residential Parking Permits*).

g. No person shall advertise, undertake, maintain, authorize, book, or facilitate any renting to guests in a manner that does not comply with this Chapter.

h. No person shall advertise any short-term rental without a City issued short-term rental permit number depicted in a visible location on the advertisement, including any listing on a hosting platform.

- i. No signs shall be posted on the exterior of the dwelling unit advertising the presence of the short-term rental use.
- j. Commercial events including, but not limited to weddings, banquets, and corporate events, are prohibited from occurring as part of the short-term rental use. The dwelling shall not be advertised or rented for the sole purpose of accommodating such uses.
- k. No person shall offer or engage in short-term rental in any part of the property not approved for residential use, including but not limited to, a vehicle parked on the property, a storage shed, trailer, garage, or any temporary structure like a tent.

D. Host Requirements.

- a. The host, and the property owner if the host is the tenant, shall be responsible for any nuisance violations arising at a property during short-term rental activities.
- b. The host shall identify a local responsible contact person to be available twenty-four (24) hours per day during the term of any hosted or un-hosted stay who shall respond to any concerns or requests for assistance related to the condition, operation, or conduct of guests of the short-term rental. The local responsible contact person shall take immediate remedial action as needed to resolve such concerns or requests for assistance.
- c. The host shall provide and maintain fire extinguishers, smoke detectors, carbon monoxide detectors, and information related to emergency exit routes and emergency contact information.
- d. The host shall keep and preserve all records as may be necessary to determine the amount of such tax as he/she may have been liable for the collection of and payment to the City, including the number and length of each short-term rental stay, and the price paid for each stay. The Finance Department and Planning Department shall have the right to inspect these records at all reasonable times. Hosts shall provide a copy of the records from the last year to the Finance Department at the time of renewing the short-term rental permit.
- e. The host shall fully comply with all the requirements of Chapter 3.32 (*Transient Occupancy Tax*) and any successor sections.

5.92.060 – Fees.

The City Council shall establish and set by Resolution all fees and charges as may be necessary to effectuate the purpose of this Chapter.

5.92.070 – Expiration and Renewal.

- A. A Short-Term Rental permit is valid for the same duration as the associated business license which expires on September 30th of the year the business license is issued. It may not be transferred, does not run with the land, and is valid only at the original short-term rental site. The Short-Term Rental permit shall automatically expire upon sale or transfer

of the property. No registration may be assigned, transferred, or loaned to any other person.

- B. A short-term rental permit may be renewed if the host meets the following renewal requirements:
 - a. Payment of registration renewal fees and all required transient occupancy tax remittance associated with the short-term rental. The host shall submit such information concerning the short-term rental activity as may be required to enable the Finance Department to verify the amount of tax paid.
 - b. Is deemed to have been in conformance with the provisions of this Chapter for the past year.
 - c. Documents and provides any changes that have occurred to the information on the current short-term rental permit.
 - d. Submits short-term rental records as required in Section 5.70.040.D for the last year.
- C. Failure to renew prior to the expiration date will result in expiration of the short-term rental permit.

5.92.080 – Enforcement.

- A. Failure to comply with any provision of this Chapter may constitute a violation.
- B. If the same property being used for short-term rental has been issued three violations between the date the Short-Term Rental permit was issued and the next renewal period, the property shall become ineligible for renewal of the Short-Term Rental permit at the next renewal period of that calendar year. At the start of the renewal period of the next following calendar year, the eligibility of said property shall be reinstated.
- C. The City has the sole discretion to suspend the Short-Term Rental permit of any property being used for short-term rental with one or more violations pursuant to Chapter 8.16 (*Property Maintenance and Nuisance Abatement*) of the Daly City Municipal Code. If a Short-Term Rental permit is revoked, the host must wait at least one calendar year before an application for short-term rental can be filed for that property.
- D. Any person convicted of violating any provision of this Chapter in a criminal case or found to be in violation of this chapter in a civil case brought by a law enforcement agency shall be ordered to reimburse the City and other participating law enforcement agencies their full investigative costs, pay all back Transient Occupancy Taxes, and remit all illegally obtained rental revenue to the City so that it may be returned to the short-term rental guests or used to compensate victims of illegal short-term rental activities.
- E. Any person who violates any provision of this Chapter shall be subject to administrative fines and administrative penalties pursuant to Chapter 8.16 (*Property Maintenance and Nuisance Abatement*) of the Daly City Municipal Code.
- F. The remedies provided in this Section are not exclusive, and nothing in this Chapter shall preclude the use or application of any other remedies, penalties, or procedures established

by law. The City may pursue any other administrative or judicial legal remedies available, including, but not limited to, civil injunctions, license revocations, and civil penalties for violations of this Chapter.

5.92.090 – Amnesty Period for Short-Term Rentals.

Short-term rentals with a business license operating on or before the enactment of this Chapter shall be considered existing, unpermitted uses. An amnesty period of nine (9) months ending on September 30, 2020 after the effective date of this Chapter is being provided to allow these existing, unpermitted uses to be legalized by conforming to the requirements of this Chapter, including compliance with operating standards, registration, and recordkeeping obligations. Existing short-term rental uses that do not conform to the requirements of this Chapter on or before September 30th, 2020 after the effective date of this Chapter shall cease operation and be prohibited from resuming unless and until the use conforms to the requirements of this Chapter.

SECTION 2. Severability. If any section, subsection, provision or part of this Ordinance, or its application to any person or circumstance, is held to be unconstitutional or otherwise invalid, the remainder of this Ordinance, and the application of such provision to other person or circumstances, shall not be affected thereby and shall remain in full force and effect and, to that end, the provisions of this Ordinance are severable.

SECTION 3. Environmental Determination. The City Council finds, pursuant to Title 14 of the California Code of Regulations, Section 15378, that this Ordinance is exempt from the requirements of the California Environmental Quality Act (CEQA) in that it is not a project as provided by the Act, in that it does not have a potential for resulting in a detrimental physical change in the environment, directly or ultimately, as provided in Title 14, Section 15378(a), and that it is also exempt under the definition of "project" in Section 15378(b)(3) in that it concern general policy and procedure making.

SECTION 4. Publication and Effective Date. Pursuant to the provisions of Government Code Section 36933, a summary of this ordinance shall be prepared by the City Attorney. At least five (5) days prior to the Council meeting at which this ordinance is scheduled to be adopted, the City Clerk shall (1) publish the summary, and (2) post it in the City Clerk's Office a certified copy of this ordinance. Within fifteen (15) days after the adoption of this ordinance, the City Clerk shall (1) publish the summary and (2) post in the City Clerk's Office a certified copy of the full text of this ordinance along with the names of those City Council members voting for and against this ordinance or otherwise voting. This ordinance shall become effective on January 1, 2020. For properties within the Coastal Zone, this Ordinance shall not become effective until the California Coastal Commission certifies an amendment to the City's local coastal program pursuant to Section 30514 of the California Public Resources Code.

Introduced this _____ day of _____, 2020.

Passed and adopted as an Ordinance of the City of Daly City at a regular meeting of the City Council of the City of Daly City held on the _____ day of _____, 2020, by the following vote:

AYES, Councilmembers: _____

NOES, Councilmembers: _____
Absent, Councilmembers: _____

CITY CLERK OF THE CITY OF DALY CITY

APPROVED:

MAYOR OF THE CITY OF DALY CITY

Short-Term Rental Ordinance Comparison

	Daly City (Currently Proposed)	San Francisco	Berkeley	Santa Monica	Los Angeles	Redwood City
Transient Occupancy Tax (TOT)	13%	14%	12%	14%	14%	12%
Registration Required & Fee	Yes	Yes	Yes	Yes	Yes	Yes
Registration Fee	\$225.00 New \$142.50 Renewal	\$450 (valid for 2 years)	\$220.00	\$100.00 New \$50.00 Renewal	\$89.00 annually +\$850.00 or \$5,660.00 for Extended Home-Sharing	\$218.00
Business License Requirement	Yes	Yes	No	Yes	Yes	No
Primary Residency Requirement	Yes (Min. 9 months)	Yes (Min. 275 nights a year)	Yes (Min. 9 months)	Yes (All Year)	Yes (Min. 6 months)	Yes (Min. 9 months, on premises from 10:00pm - 6:00am daily)
Days Per Year Limit	No max, but 90 day limit for un-hosted	No max, but 90 day limit for un-hosted	No max, but 90 day limit for un-hosted	No max, but un-hosted not permitted	120 days total (un-hosted v. hosted not identified) > 120 days if eligible for Extended Home-Sharing subject to neighborhood notification, valid registration, suspension/revocation status. Admin. v. Discretionary Approval subject to number of citations within past 3 years	No max, but 120 day limit for un-hosted
Maximum Continuous Days	30 days	30 days	14 days	30 days	30 days	30 days
Guest Limit	2 guests per bedroom plus 2 guests	-	Per Housing Code (Generally two per bedroom)	The limit including the host, anyone else who lives at the home, and the visitors is the lesser of 10 total people, 1 person per 200 square feet of the home, or 2 adults per bedroom.	-	-
Listing Limit	One booking per day	Max. 4 bookings within unit at the same time	-	Two bookings at any time	-	Two booking per day
Neighborhood Notification	No	For R-1 zone only (owners and tenants within 300 ft.)	All adjacent owners	No	Extended home-sharing only	-
Primary Contact Requirement	Yes Must take immediate remedial action as needed to resolve concerns/requests	-	No STR Compliance Hotline	No Owner is primary contact	-	Yes Must respond within 60 min and take action to remedy