

San Diego Working Group Questions and comments on Short Term Rentals MOU and Ordinances

What are the key positive points agreed on in both the MOU and STVR Recommendations?

What are some 'left unanswered questions' such as the following:

1. **Are all platforms, rental agencies and other permit holders included in the projected 3,750 figure? If not, how would other platforms be handled? Separate MOUs??**

ANSWER: All platforms, rental agencies and other permit holders are included in the 3,750 figure. This includes is only an agreement now between Expedia (which is the largest platform) and Unite Here. Airbnb is asking for 1.2% instead of .7%. There may be a need to negotiate this cap. It will almost certainly not go down. Final is unknown.

Is there a number associated with Tier 1 and Tier 2? Tier 4 is 30% of Housing # in MB per SANDAG

2. **How will STR permits be allocated? Who gets a permit and who is denied? If the numbers are reduced by 70% to 0.7% in the MOU, who will decide? And how will it be decided?**

ANSWER: One option discussed was to allow good operators (e.g. no complaints), paid TOT, etc. Attorney has concerns about equity of that. Trying to come up with a more equitable way other than first come, first served. Probably will be a lottery.

3. **Are the part-time STVR permits for Comic Con in addition to the 0.7 cap or included in the cap? If in addition, would there be any limits on numbers? What enforcement plan do they have in mind for Comic Con permits?**

ANSWER: Yes, they are in addition. We have to tweak this one because technically it could be longer than desired.

4. **Can the cap on the total number of STVR city-wide be evenly distributed by Council district, zip code, or similar to avoid concentrations in areas more desirable to STVR? If not, can some relief be offered to these areas to limit concentration?**

ANSWER: We don't have it set up that way. We understand that this is the way you would like it. We'll look into it.

5. **Is there flexibility as to the cap on the total number of STVR that would be allowed? Could it be lower than that suggested in the MOU?**

ANSWER: Not realistically. This was a result of hard fought negotiations between Expedia and Unite Here.

6. **On the two-night requirement, some zoning areas have a 7-night minimum now. Will they be reduced to two? Is this an area where there might be flexibility? Experience indicates that very short-term stays are the most problematic for neighbors. The RM-1-1 zoning area currently has a 7-day minimum rental period which has apparently existed for decades. Would that long-standing zoning requirement remain in place under a new STVR ordinance or would it be weakened to a 2-day minimum?**

ANSWER: Two night was a compromise between Expedia and Unite Here. One wanted 3 and one wanted 1. Councilmember will look at keeping existing rules that currently specify longer minimum stays as is.

7. When the city expanded the ability of homeowners to build **granny flats (September 12, 2017)** and just recently voted to allow the placement of “tiny homes” on residential property, these **came with a requirement that any rentals must be 30 days or more. Would that requirement remain valid with any new STVR ordinance?**

ANSWER: Yes, it would be built into the ordinance, but we need to make sure tiny homes are similarly built in. These would be Tier #2.

8. **How can we protect individual blocks/areas/neighborhoods** from having too many STVRs in close proximity? **Set limits on numbers? Set limits on proximity?**

ANSWER: Will ask attorney about this.

9. It has been stated that **permits will be reduced to one per “resident”**. **Does this mean an out-of-town investor can’t own property in SD and rent? In this context, is this primary residence only or does this mean that if you are a resident of SD that you can own an additional property that is an STVR?**

ANSWER: The goal is one per person. We are having a conversation with the attorney to try to avoid LLCs and to try limit only to people versus businesses. This is a legal question. Separately: An individual can have only one permit, regardless of tier. For example, someone with a permit for home sharing can’t also have a permit for a standalone STVR.

10. **Can a person who is not a permanent resident of San Diego rent a property they own in San Diego?**

ANSWER: We have not discussed that issue, but a local person/representative must be available nearby to resolve issues.

11. The MOU suggests that enforcement would be handled primarily by Code Enforcement and Police, but Code Enforcement does not normally work at night and Police are very slow to respond to these issues at night. Without confirmation of a violation by Code Enforcement or Police, there would be no fines issued for violations. **How can the system be set up to clearly identify violations and ensure that fines are assessed? Has the City Attorney's office responded on what is legal in terms of the enforcement/compliance system proposed in the MOU?**

ANSWER: Enforcement entity needs to be clearly defined. We’ve looked into other cities that contract out. We’ve seen those that do inhouse. **We’ve seen blends.** We are trying to find the best approach. Fees need to be limited to cost recovery.