

1. Southwest Planning, LLC was contracted to analyze the current Short Term Rental (STR) situation in the City. In conjunction with an intern this past summer they determined the following data:

Rental Organization	Number of Rentals Listed
Home Away	557
VRBO	616
FlipKey	300
Rental by Owner	658
Airbnb	612
	2743

Note:

1. Rental by Owner (RBO) and Airbnb were not quantifiable due to lack of property/owner information being provided.
2. There are many properties that are listed on multiple sites.
3. The analysis (excluding the 1,270 properties listed on RBO and Airbnb)

Total Properties Researched	1,473
Total Properties after Duplicates were Removed	817
Total Properties That Could Not Be Identified (NA)	78
Total Properties with Short Term Rental License	330
Total Properties without Short Term Rental License	487
Total Properties Obligated to Pay Lodger's Tax	280
Total Properties Paying Lodger's Tax	52

If the same ratios of the analyzed properties apply to the properties listed on Airbnb and RBO this would bring the total properties operating without a permit to 907.

4. Complaints to the Short Term Rental Department since the inception of the ordinance in March of 2008 were also analyzed:

Complaint	Number	Percent
Too many people in rental	10	10.8%
Too many rentals per year/week	2	2.2%
Neighborhood Notice	10	10.8%
No Insurance	9	9.7%
Permit/Listing/advertising	27	29.0%
No Fire Inspection	1	1.1%
Nuisance/other	7	7.5%
No permit	27	29.0%
	93	

5. Other cities were analyzed to determine how they are regulating the short term rental situation. These cities were Sedona AZ, Vail CO, Austin TX, Bend OR, Truckee CA, Malibu, CA and San Francisco CA. What was determined:
 - 1.) They do not impose caps on the number of short term rentals permitted.
 - 2.) They do not attempt to restrict the number of arrivals per week or number of rentals per year.
 - 3.) They impose penalties for non-compliance with the short term rental ordinances.
 - 4.) They require all short term rentals to be permitted without regard to zoning districts.
 - 5.) No correlation could be made to the amount of short term rentals and the availability of long term rental housing.
 - 6.) Short term rentals are concentrated in the tourism sections of the communities.
 - 7.) No correlation can be made between lack of affordable housing and amount of short term rental available.

Staff Recommendations to Council:

1. Eliminate the current cap of 350 on permits to better determine the depth of the current STR market.
2. The City Council will determine the number of Short Term Rental permits to be available at any time. The initial number of permits available will be 1,000.
3. Eliminate the restriction of 17 rentals per year as this is basically unenforceable.
4. Recognize that the restriction of one arrival per week is difficult to enforce but leave it in the ordinance for enforcement response when reported as a violation.
5. Simplify the permit fee structure to a single \$325 annually per permit (reduced from \$350 for most) and a \$100 application fee (reduced from \$150). All short term rental owners in residential areas will be required to obtain a permit without exception. Short term rentals in commercial zoning and in gated communities will be required to register and pay a \$150 annual registration fee.
6. Provide a 90 day grace period from the time the new ordinance is adopted to allow owners to come into compliance.
7. Allow any short term rental permit to be cancelled within 30 days of issuance with only the loss of the application fee.

8. All short term rentals, without regard to zoning, will be required to register with the city.
9. Add a late fee charge of \$50 to short term rental permit owners who fail to renew on time. The charge will allow them 30 days to renew after March 15.
10. Penalties will be levied for operation of a short term rental without a permit or without remitting both gross receipts tax and lodger's tax.
11. Recommended penalties are \$500 for a first violation with a 14 day period for compliance. If no action is taken by the owner and the violations continue, a \$250 per day penalty will be assessed. The City will have the authority to lien the property for any amounts due. Violations of the ordinance can also result in loss of Short Term Rental Permit.
12. The city will provide a definition of "rooms" as used within the Lodger's Tax ordinance to eliminate the confusion of how it is applied in this jurisdiction. The requirement in that ordinance for any exemptions to be granted, rather than assumed, will be enforced. Without an exception being granted, collection and remittance of lodger's tax is required.
13. Renewals will not require a property inspection. Owners will be required to submit a self-compliance check list with renewal applications and inspections will be conducted on a random basis.
14. The City will enter into a Voluntary Collection Agreement with Airbnb to deal with lodger's tax collections on behalf of their host owners. All rentals will be subject to lodger's tax.
15. Increase staffing of the STR office from one enforcement position to three positions to include a STR manager and two enforcement positions. Inspections of new permit applications will be done by the enforcement personnel. Fees collected will cover the cost of the expanded operations.
16. Staff will modify administrative procedures regarding the implementation of the ordinance in accordance with approved changes.

After the Public input meeting on January 7, the following additional changes were made to the staff recommendations:

17. The application for a Short Term Rental Permit, along with a listing of Short Term Rental Permits issued with the owner's name and city of residence will be available on a new

web site www.oursantaferental.com. This web site will be maintained by the short term rental office with support from TOURISM Santa Fe and the Land Use Department.

18. Current permits and short term rental uses will be grandfathered. However, in the future, for the protection of the neighborhoods, permits will not be issued to allow more than two short term rentals directly adjacent to each other in any residentially zoned areas.
19. Short term rentals in areas with commercial zoning will be required to register with the city and pay an annual \$150 registration fee; however a permit will not be required. Advertisement of one of these Short Term Rentals will require the use of the registration number.
20. Short Term Rentals in gated communities will be required to register with the city and pay an annual \$150 registration fee; however a short term permit will not be required. Advertisement of one of these short term rentals will require the use of the registration number.
21. Short term rentals will not be permitted to be used for non-residential purposes. This excludes the use of Short Term Rentals Permits for outdoor events, weddings and the like.