

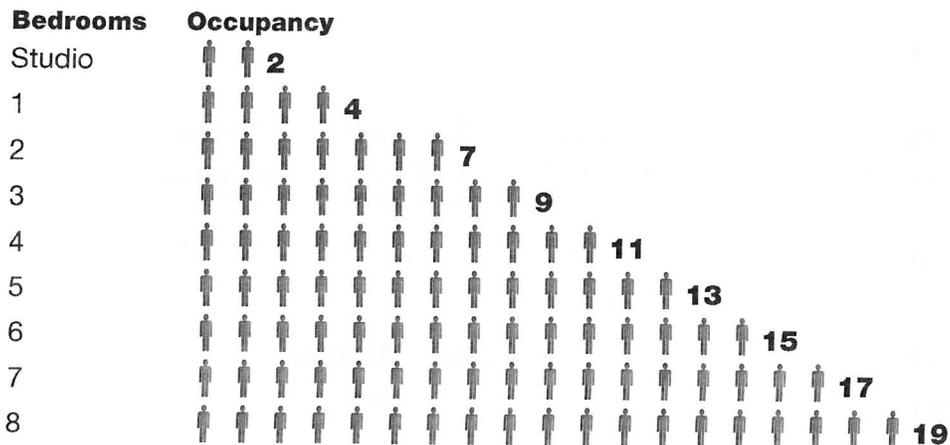


Short-Term Rental Policy

The city of Anaheim's rules and regulations covering short-term rentals, including those brokered by Airbnb, HomeAway, VRBO and others

- **What:** an 18-month phase out of short-term rentals in the city and new operating rules during the phase-out period
- **Adopted:** July 12, 2016
- **Effective date:** Aug. 11, 2016
- **Key provisions:**
 - Prohibits permitting of any new short-term rentals
 - Owners have 18 months to phase out rentals and recoup their investment before a ban on short-term rentals takes effect on Feb. 12, 2018
 - Permitted short-term rentals can continue to operate and pay city transient occupancy tax during the phase-out period
 - Visitors can continue to book with permitted short-term rentals in Anaheim during the phase out
 - Short-term owners must renew permits by Oct. 10, 2016, and show they are in compliance with new rules and regulations
- **Occupancy:** Effective Jan. 1, 2017, the number of short-term rental guests is limited by the number of rooms at a property

355
Short-term rentals
permitted in Anaheim
January 2017



- **Other provisions:**

- Short-term rental owners and operators are required to designate a local contact who can respond around the clock to reported violations
- Short-term rental owners and operators must verify that they have supplied contact information to neighbors
- Additions to houses permitted as short-term rentals are prohibited
- Fire sprinklers and secondary exits are required for short-term rentals with four or more bedrooms or occupancy of more than 10 people
- Guests renting a short-term rental in Anaheim must be 21 or older
- Guests must adhere to quiet time from 10 p.m. to 9 a.m.

- **Fees:**

- Onetime permit renewal, ordinance compliance review \$1,094
- Annual permit renewal \$536
- Change of ownership \$498
- Property modifications \$415

- **Tax:** Short-term rentals are required to pay Anaheim’s transient occupancy tax, equal to 15 percent of their gross rental revenue

- **Annual short-term rental transient occupancy tax:** about \$3 million, out of Anaheim’s nearly \$150 million in yearly transient occupancy tax revenue

Enforcement

- **Citations:** may be issued to owners, operators and guests without warning
- **Violations:** violation fall under two categories, major and minor
 - Two major violations within 12 months are grounds to revoke a permit
 - Violations result in fines for owners, operators and renters

- **Fines:**

Owner/ Operator	First offense	Second offense <i>within 12 months</i>	Third offense <i>within 12 months</i>
Minor	\$200	\$400	\$1,000
Major	\$1,000	\$1,500	\$2,500
Guest		Each offense	
Minor		\$200	
Major		\$500	

Online Hosting Sites

- **What:** companies such as Airbnb, HomeAway, VRBO and others that list short-term rentals on their websites
- **Anaheim policy:** the city's short-term rental policy calls for fines against online hosting sites that list unpermitted short-term rentals in the city
- **Status:** After a review of federal communications law, in August 2016 Anaheim opted not to enforce provisions of its short-term rental policy that call for fines on online hosting sites, opting instead to continue enforcement of unpermitted short-term rentals through Code Enforcement
- **Update:** Enforcement of the online hosting sites provision is currently under consideration and is expected to go before the City Council in early 2017

Hardship Application

- **What:** a program to consider hardship among short-term rental owners under the phase out
- **Provisions:** could allow some short-term rental operators to operate beyond the phase-out deadline of Feb. 11, 2018, to recoup investment if they are able to demonstrate financial hardship
- **Hardship application availability:** Nov. 9, 2016
- **Hardship application deadline:** March 24, 2017
- **Hardship applications received:** two as of January 2017

Enforcement

150

Short-term rental code violations addressed since August 2016

125

Short-term rental code cases opened since August 2016

30

Cease-and-desist letters issued to unpermitted short-term rentals since August 2016

14

Notices of pending power and water shut-offs to unpermitted short-term rentals since May 2014

11

Denials of short-term rental permits since May 2014

7

Shut-offs of power and water to unpermitted short-term rentals since May 2014

Short-Term Rental Policy Timeline

- **February 2013:** The City Council requests a review to address short-term rental policies for residents and owners
- **December 2013:** A City Council workshop is held on a program framework to ensure compatibility between neighborhoods and short-term rentals, with input from residents and the Anaheim Rental Alliance
- **May 13, 2014:** The City Council finalizes its first short-term rental ordinance
- **Aug. 4, 2015:** The City Council hears resident comments regarding short-term rentals
- **Sept. 15, 2015:** The City Council adopts a temporary moratorium on new short-term rental permits
- **Feb. 23, 2016:** The City Council holds a workshop to hear staff recommendations to address immediate and long-term concerns about short-term rentals and receive input from the community and owners on those recommendations
- **June 29, 2016:** The City Council holds a special meeting and votes 5-0 to impose tighter regulations and votes 3-2 to ban and phase out short-term rentals over 18 months
- **July 12, 2016:** The City Council by second reading formally adopts two ordinances
 - Tighter regulations and a ban on new short-term rentals
 - A ban and 18-month phase out period for existing short-term rentals
- **July 13 to Aug. 12:** Public invited to submit comments on a home sharing pilot program
- **Aug. 11, 2016:** New ordinances take effect banning new short-term rentals and imposing 18-month phase-out of existing ones

Home sharing program

What: A proposed pilot program that would allow individual property owners to rent out a room or second unit of their primary residence for 30 days or less

Status: conceptual review presented at an Anaheim City Council workshop on Nov. 1, 2016, with policy adoption consideration at a later date

Details:

- Home sharing would be allowed as part of an 18-month pilot program
- Home sharing would require a business license
- Permit holders would pay the city's transient occupancy tax, or 15 percent of the cost of a nightly stay

Short-Term Rental Policy Timeline

- **Nov. 1, 2016:** City Council hears a conceptual review of a home sharing pilot program with potential policy consideration at a later date
- **Nov. 9, 2016:** Hardship applications available
- **Jan. 10, 2017:**
 - Adoption of 45-day extension for filing of hardship applications to allow applicants more time to meet city documentation requirements
 - Clarification of Code Enforcement property access rules for reported issues at short-term rentals
- **March 24, 2017:** Hardship applications due
- **Feb. 11, 2018:** Last day to legally operate a short-term rental in Anaheim unless a hardship extension is granted