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# Office of Short-Term Rentals

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GAO Committee

January 17, 2018





## Legislation Review

- Amendments enacted in August 2016 requiring hosting platforms to ensure all hosts are properly registered
- Airbnb and VRBO/Homeaway filed suit in September 2016
- Implementation of amendments deferred
- Mediation in Federal court from January-April 2017
- Settlement Agreement reached on May 2017
- OSTR/Digital Services launches on-line application in summer 2017



## Legislation Review – Platform Requirements

- Administrative Guidance issued on July 31, 2017
  - Applies to platforms other than Airbnb and Homeaway
- Inform hosts of registration requirements
- Cannot allow bookings for non-registered hosts
- Specify method of verification to OSTR (API, monthly spreadsheets and display of STR #, copies of certificates)
- Monthly Affidavits of Compliance

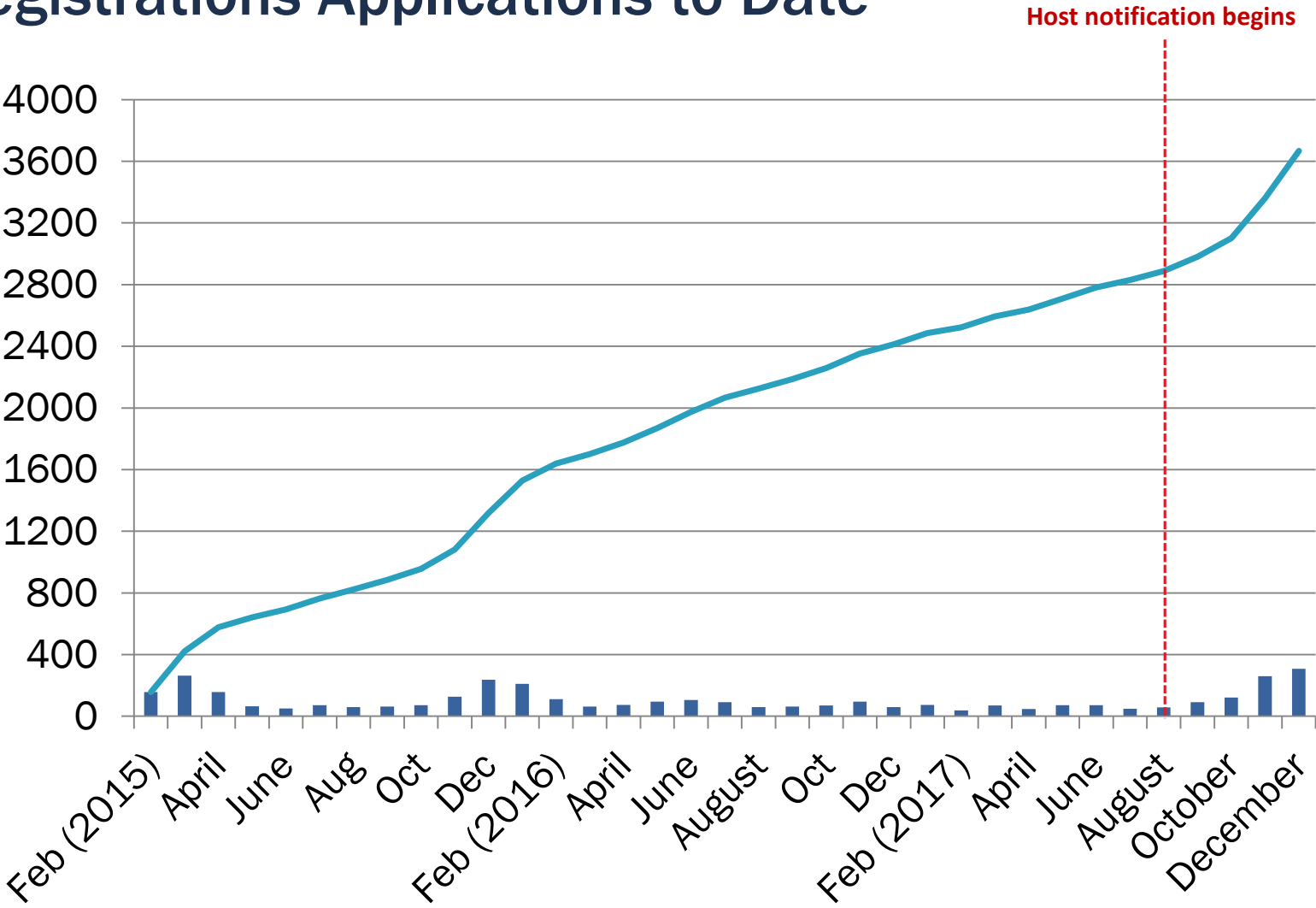


## Settlement Agreement Overview

- Allowed time for development of pass-through application systems
- Beginning in September, inform hosts of registration requirements
- Remove any listings of non-registered hosts
- Notification/listing removal separated into three phases
- All phases now complete
- Verification of compliance will continue on monthly basis



# Registrations Applications to Date





## Application/Registration Overview

- Applications Submitted by Year:
  - 2015: 1,318
  - 2016: 1,094
  - 2017: 1,256
  - 2018 (to date): 437
  - TOTAL: **4,105**
- Currently Registered Hosts: **2,170**
- Applications under review: **922**
- Applicants may choose to host until application review is complete



# Outcomes of Legislation/Settlement

- Significant surge in applications to OSTR
- 3,178 Listings removed from Airbnb and Flipkey through December
  - Estimated 2,500 listings removed from Airbnb last night
- Listing counts as of December 2017 (w/o hotels, 30+ day rentals):
  - Airbnb: 5,900 (reduced from peak of 8,700 in December 2016)
  - Flipkey: 57 (reduced from 555 in July 2017)
- Airbnb hosts as of December 2017:
  - 4,625 (w/o hotels, 30+ day rentals)
  - 15% of hosts have multiple listings (different bedrooms within same unit)
- Application rejection rates increased from 26% to 38%



## Advantages of Settlement Agreement

- Hosts can apply through a variety of methods
- Hosts notified of registration, and non-compliant listings removed through systematic process for two largest platforms
- Requires hosts to enter STR Certificate Number, and platforms must display Number for every listing to facilitate auditing by OSTR
- Platforms will deactivate ineligible listings and cancel/rebook guests within 6 business days after notification from OSTR
- Platforms remain liable if they continue to allow bookings by unregistered hosts
- OSTR able to monitor at platform level, in addition to host-by-host enforcement





## Enforcement Actions

- OSTR has formally enforced against 677 units for short-term rental violations
- Assessed \$1.7m in penalties (\$953k collected to date)
- 973 Market Street settled (\$192k collected)
- Enforcement focus on high-volume rentals, hosts with multiple units, and rentals with quality-of-life impacts for neighbors
- OSTR will monitor platforms, but will continue enforcement against hosts in violation



## Host Reporting

- 3<sup>rd</sup> Quarter 2017
- Hosting Types
  - 16% reported no stays
  - Of hosts with stays:
    - 58% hosted rentals only
      - Average of 68 nights
    - 23% unhosted rentals only
      - Average of 33 nights
    - 18% combination of hosted/unhosted



## Office of Short-Term Rentals Contact Info

- Website:  
<http://shorttermrentals.sfgov.org>
- Enforcement Complaints/General Inquiries:  
[shorttermrentals@sfgov.org](mailto:shorttermrentals@sfgov.org) or (415) 575-9179
- Walk-in Hours:
  - Wednesday Afternoons: 1:00p – 4:00p
  - First Monday evening each month: 5:30p – 7:00p

