



OFFICE OF SHORT-TERM RENTALS

CITY & COUNTY SAN FRANCISCO

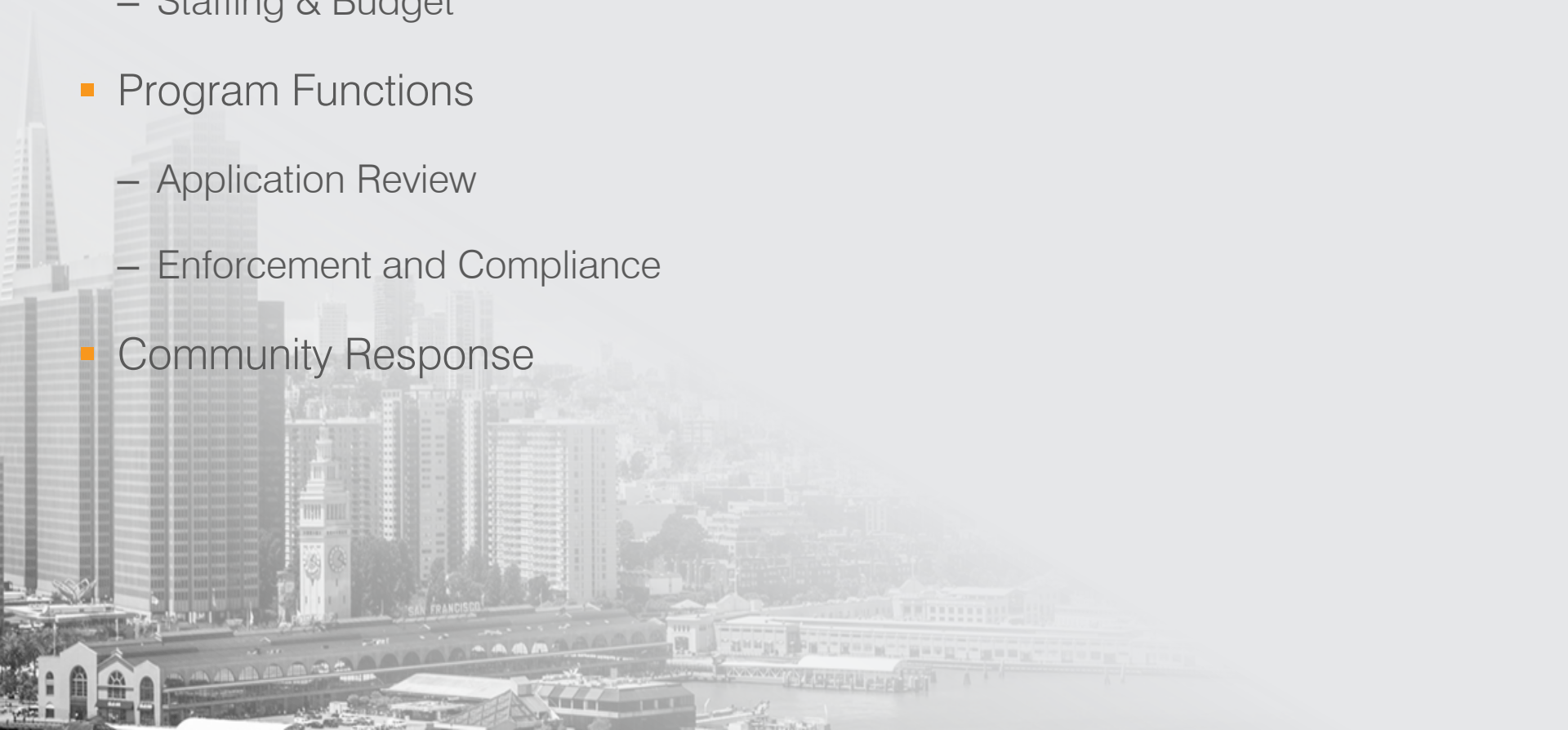
Board of Supervisors
Land Use & Transportation Committee
September 27, 2021



San Francisco
Planning
Office of Short-Term Rentals

Office of Short-Term Rentals

- Program Overview
 - Regulatory History & Requirements
 - Staffing & Budget
- Program Functions
 - Application Review
 - Enforcement and Compliance
- Community Response



Office of Short-Term Rentals

- Program Overview
 - Regulatory History & Requirements
 - Staffing & Budget



Short-Term Rental Program Overview

- Principal Regulations found in Administrative Code Chapter 41A
- Effective February 1, 2015



Short-Term Rental Program Overview

- Allows permanent residents to rent their homes or rooms in their homes for guest stays of less than 30 nights
- Prohibits the conversion of residential units to tourist uses



Short-Term Rental Program Overview

- Primary requirements to conduct short-term rental activity include:
 - File an application with Office of Short-Term Rentals (OSTR)
 - Resides in the same dwelling unit for at least 275 nights per year
 - Valid business registration certificate from SF Tax Collector
 - Property and dwelling unit must be free of code enforcement actions
 - Unlimited shared home (“Hosted”) guest stays
 - Limit whole home (“Un-Hosted”) guest stays to 90 nights per year
 - Affordable housing units are ineligible to host short-term rentals
 - Non-residential or non-habitable spaces are ineligible

Short-Term Rental Program Overview: Platform Accountability Law (Amendment)

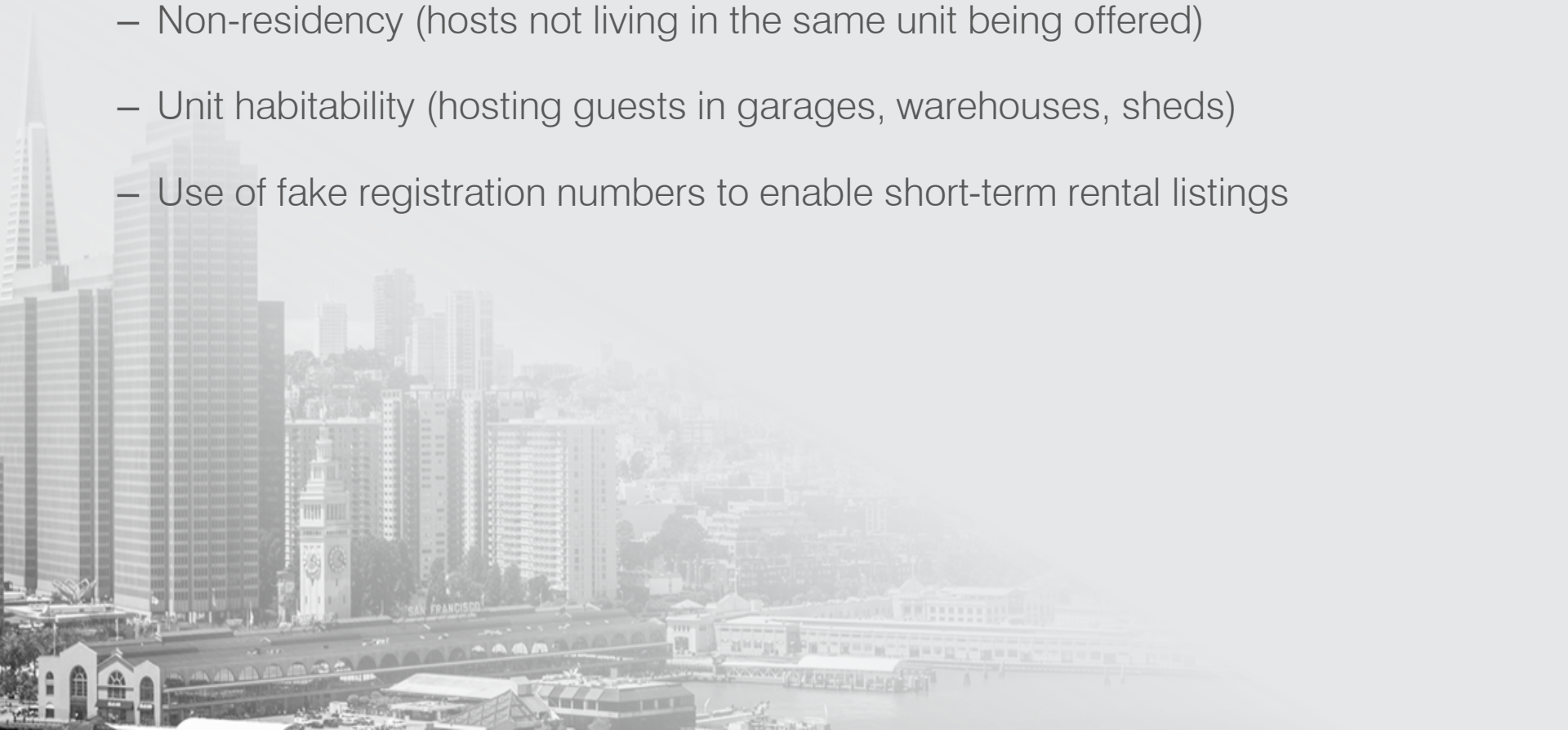
- In August 2016 the original short-term rental law was amended requiring hosting platforms to ensure all hosts are properly registered
- Airbnb and VRBO/Homeaway filed suit in Federal court in September 2016
- Implementation of amendments deferred
- Mediation in Federal court from January-April 2017
- Settlement Agreement reached May 2017; provides further regulatory guidance

Short-Term Rental Program Overview: Platform Accountability Law (Amendment)

- Hosting platforms must:
 - Inform hosts of registration requirements
 - Cannot allow bookings for non-OSTR registered hosts
 - Provide OSTR with monthly rosters of the STR listings on their sites
 - Provide Monthly Affidavits of Compliance
- OSTR
 - allows those with pending applications to host guests
 - provides an appeal process for denied applications

Short-Term Rental Program Overview: Platform Accountability Law (Amendment)

- Platforms have increased responsiveness and data sharing, creating a fairer playing field for honest hosts through the removal of noncompliant hosts for issues such as:
 - Non-residency (hosts not living in the same unit being offered)
 - Unit habitability (hosting guests in garages, warehouses, sheds)
 - Use of fake registration numbers to enable short-term rental listings



Program Overview | Platform Accountability Law (Amendment)

- Airbnb created the City Portal tool that OSTR staff use in application review and enforcement/compliance actions

The screenshot shows the Airbnb San Francisco Compliance portal. At the top left is the Airbnb logo. On the right, there are navigation links for 'Home', 'Reports', and 'Compliance', along with a user profile icon. The main header features a colorful illustration of a city street scene with the text 'San Francisco Compliance'. Below this, a sub-header reads: 'Use this page to manage listing compliance and request to block listings from offering short-term rentals on Airbnb.' A search bar contains the text 'geary'. To the right of the search bar are three filter buttons: 'Active', 'Block requested', and 'Blocked'. Below the filters is a table with the following columns: 'LISTING ID', 'LICENSE # OR EXEMPTION CLAIM', 'ADDRESS', 'EXPIRATION', and 'STATUS ON AIRBNB'. The table contains three rows of data. At the bottom of the page, there is a button labeled 'Request to block (0)'.

LISTING ID	LICENSE # OR EXEMPTION CLAIM	ADDRESS	EXPIRATION	STATUS ON AIRBNB
<input type="checkbox"/> 17541816	STR reservations not accepted	Geary St, San Francisco, CA 94102, USA		Active ●
<input type="checkbox"/> 20269328	390024.0	725 Geary St, San Francisco, CA 94109, USA	Dec 31, 2099	Active ●
<input type="checkbox"/> 36201584	License not needed per OSTR	580 Geary St, San Francisco, CA 94102, USA	Dec 31, 2099	Active ●

Request to block (0)

OSTR as of 2021 | Staffing & Budgeting

- Administered by the Office of Short-Term Rentals (OSTR), within the Planning Department.
- When fully staffed, there are seven full-time members: 1 Director, 2 Senior Planners, 3 Senior Analysts, & 1 Planner Technician
 - Two Senior Analysts returned in 2021 from extended Disaster Service Worker assignments (12 month+ assignments)
- Senior Planners and Senior Analysts work primarily on the application review, enforcement, and compliance functions
- Planner Technician works primarily on responses to public enquiries and on application processing

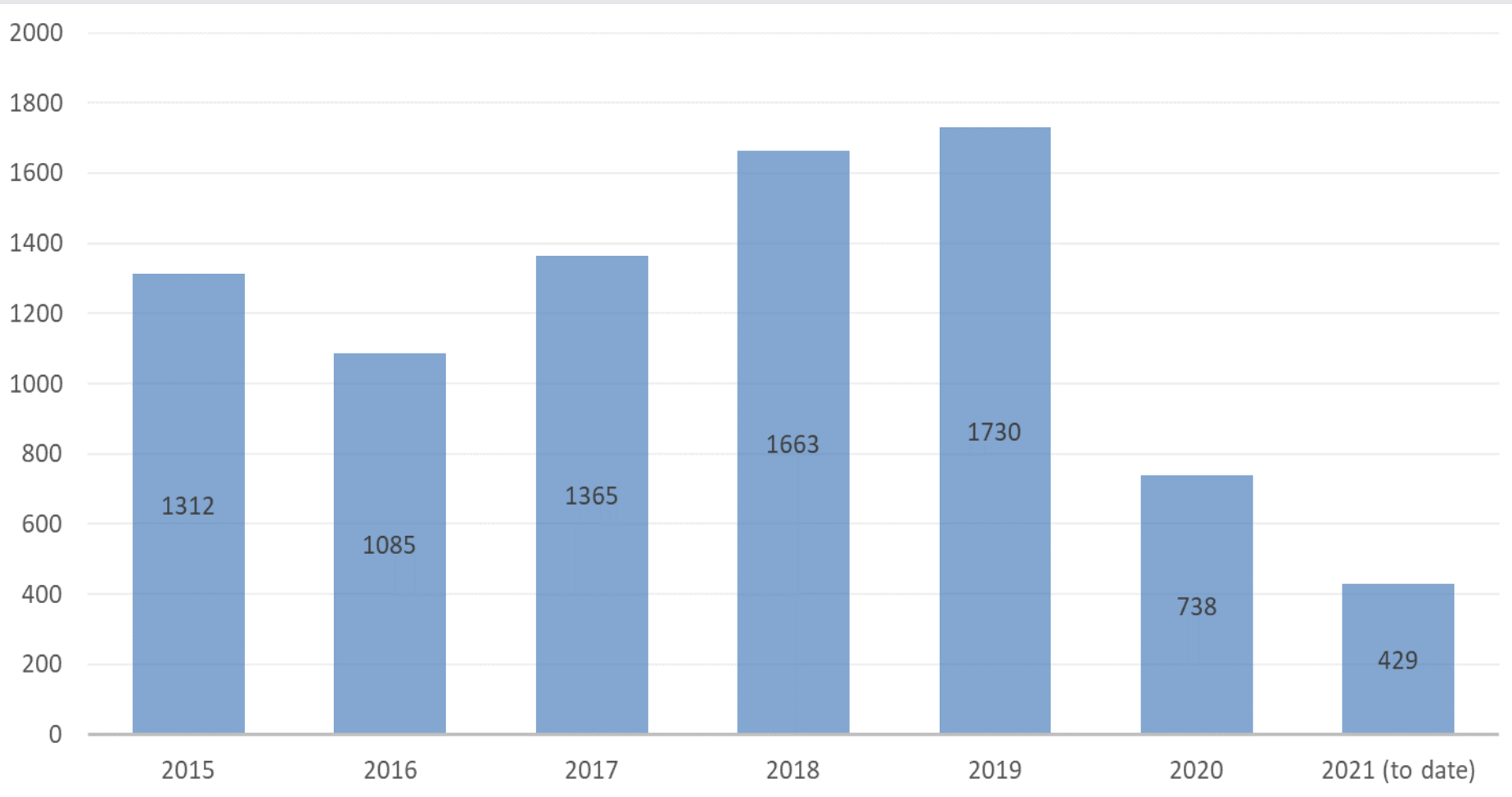
Office of Short-Term Rentals

- Program Functions:
 - Application Review
 - Enforcement and Compliance



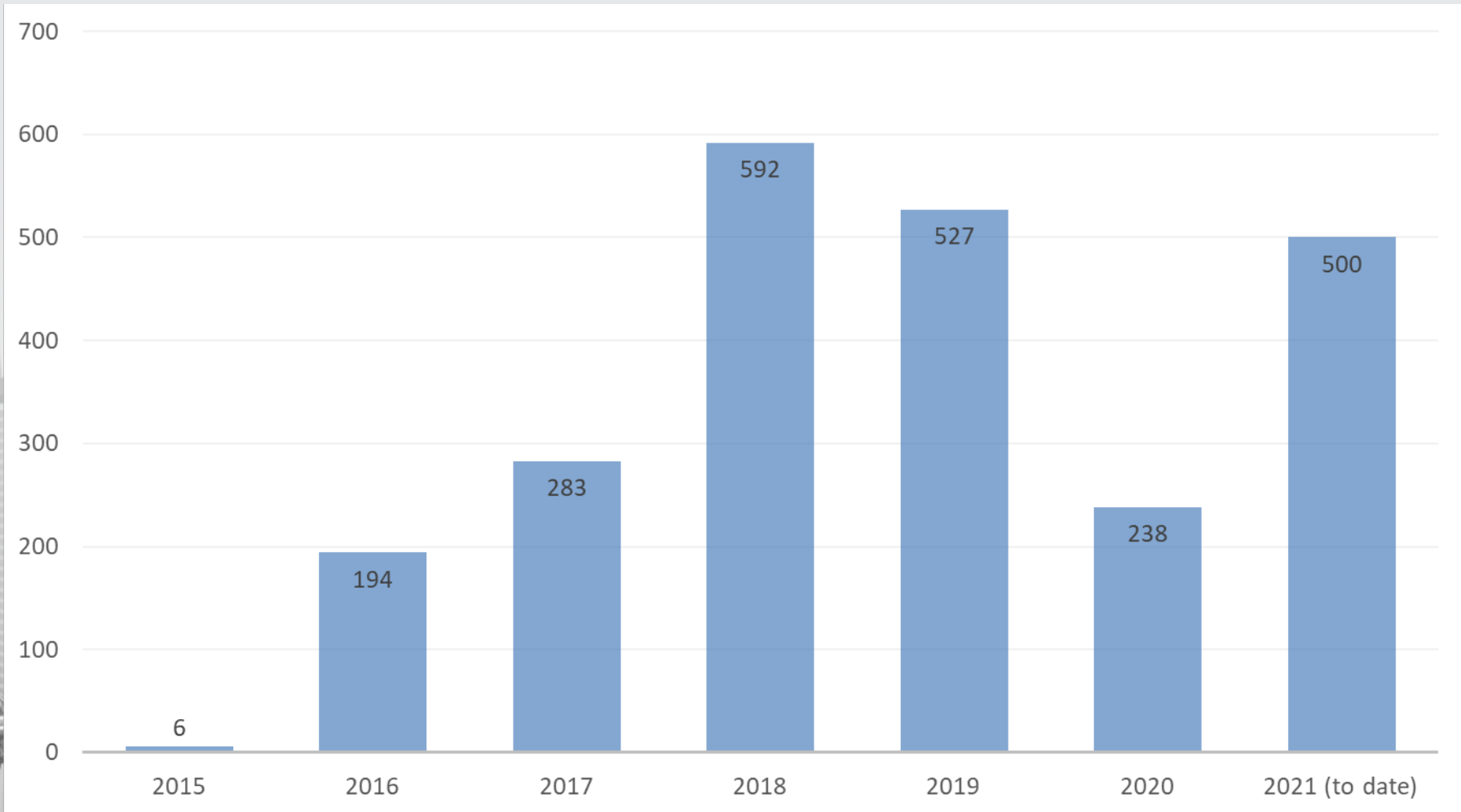
OSTR as of 2021 | Applications

■ ~8,330 applications filed to date



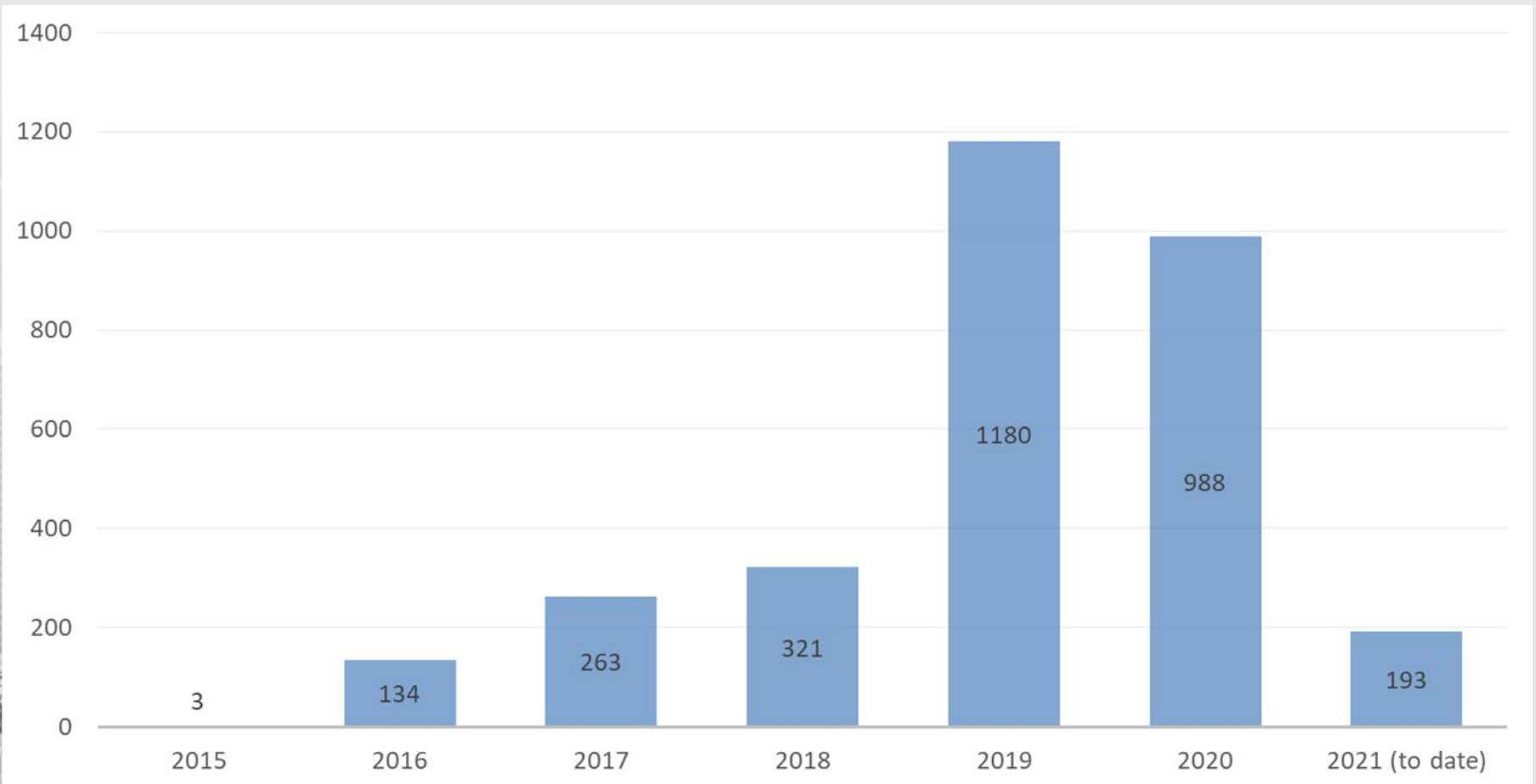
OSTR as of 2021 | Applications

■ ~2,340 applications denied to date



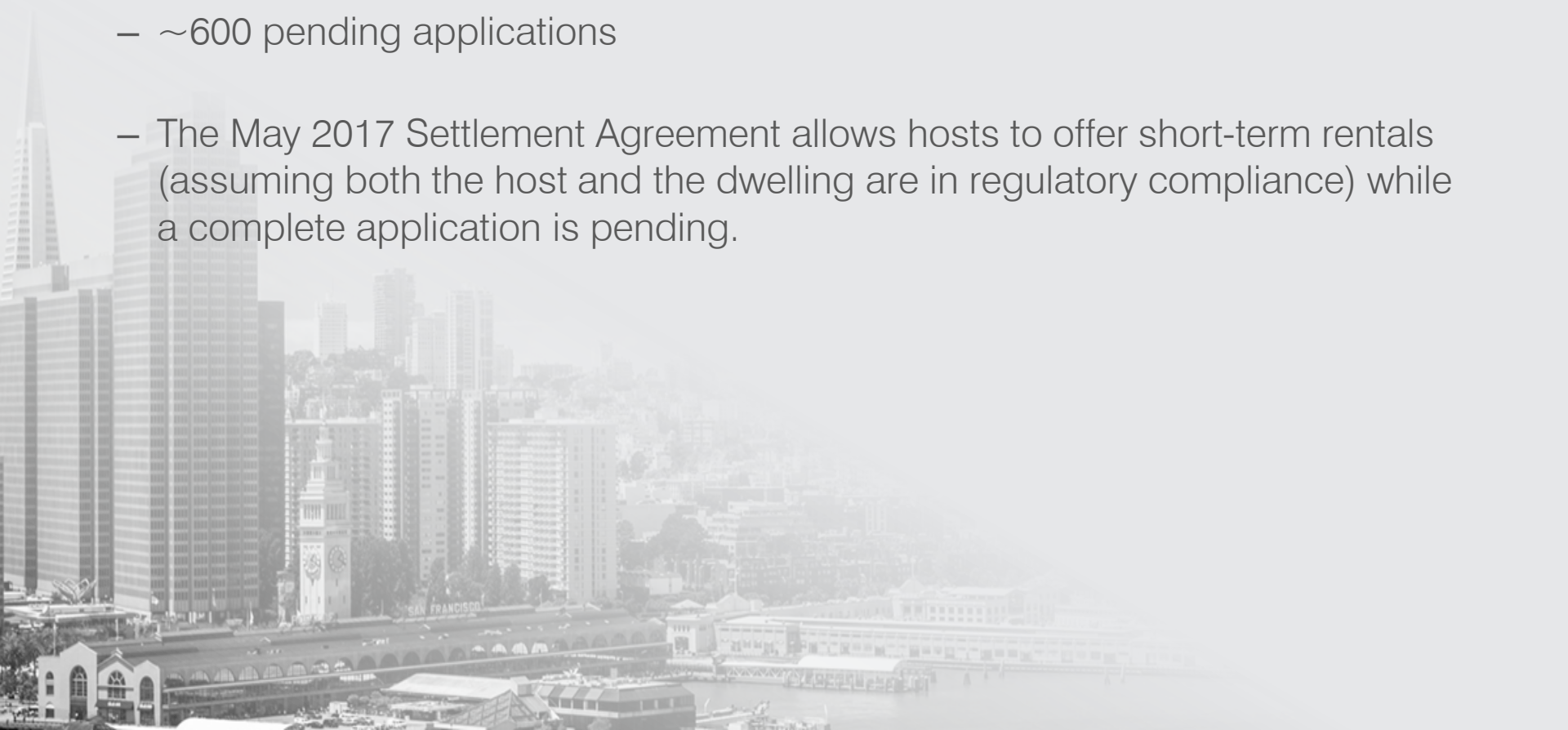
OSTR as of 2021 | Applications

■ ~3,080 applications withdrawn to date



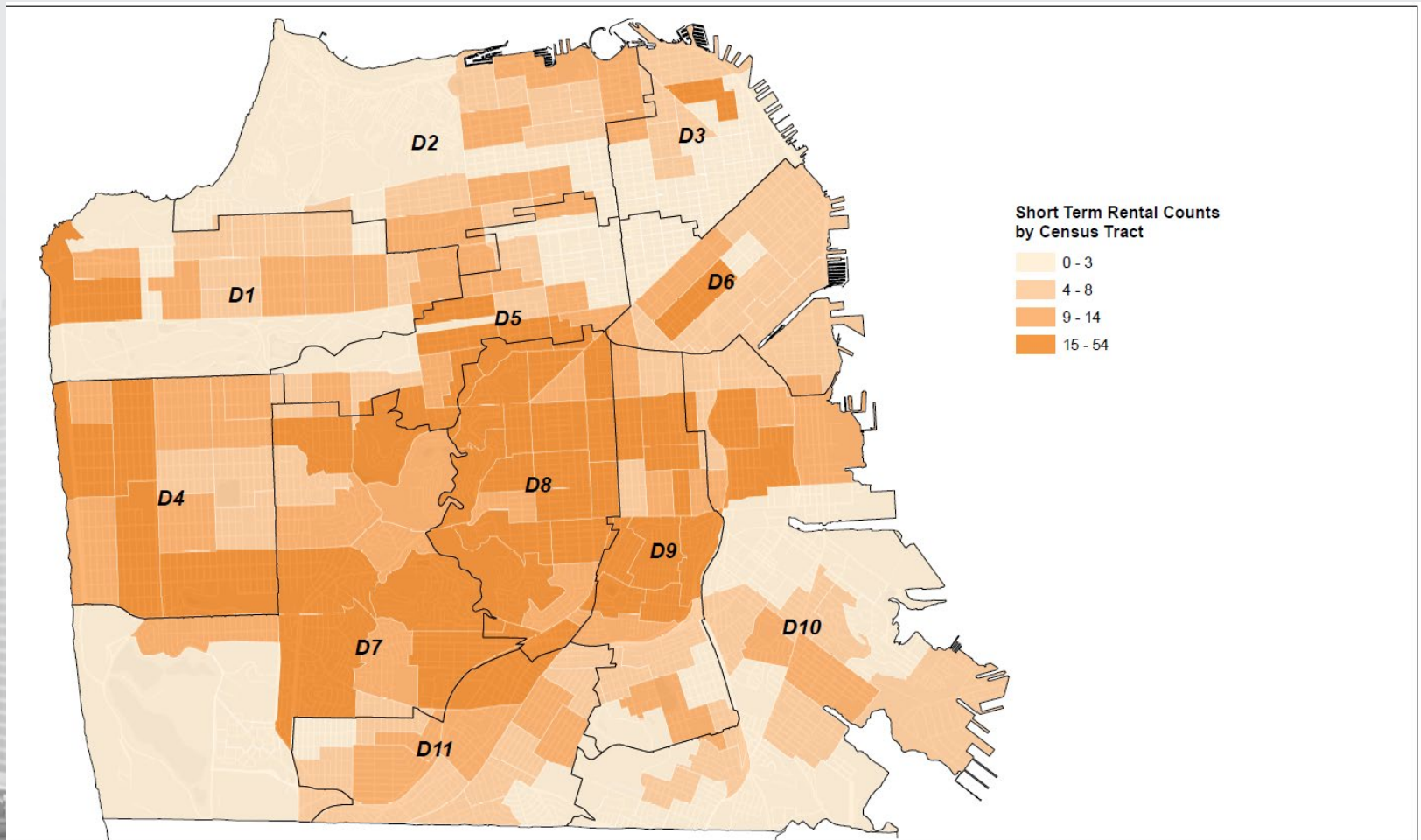
OSTR as of 2021 | Applications and Certificates

- 1,600 registered short-term rental hosts as of September 2021
 - Certificates valid for two years.
 - ~600 pending applications
 - The May 2017 Settlement Agreement allows hosts to offer short-term rentals (assuming both the host and the dwelling are in regulatory compliance) while a complete application is pending.



OSTR as of 2021 | Applications and Certificates

Map of approved and pending Short-Term Rentals, by Census Tract



Short Term Rentals (Approved and Pending)
SAN FRANCISCO



September 22, 2021

OSTR as of 2021 | Applications and Certificates

- Application review involves:
 - Confirming submitted residency documents are complete, accurate
 - Confirming unit is eligible (not affordable unit, not commercial space)
 - Confirming possession of valid business registration certificate
 - Reviewing short-term rental listing images, descriptions of spaces offered, guest reviews
 - Conducting site visits when needed

OSTR as of 2021 | Applications and Certificates

- Application review involves:
 - Property owner notification when
 - applicants are tenants
 - applicant's dwelling unit is part of a tenancy-in-common
 - Neighborhood notification for owners and occupants within 300 feet for initial applications within RH-1(D) Zoning District
 - OSTR does not consider private agreements, including homeowner association bylaws, during its application review

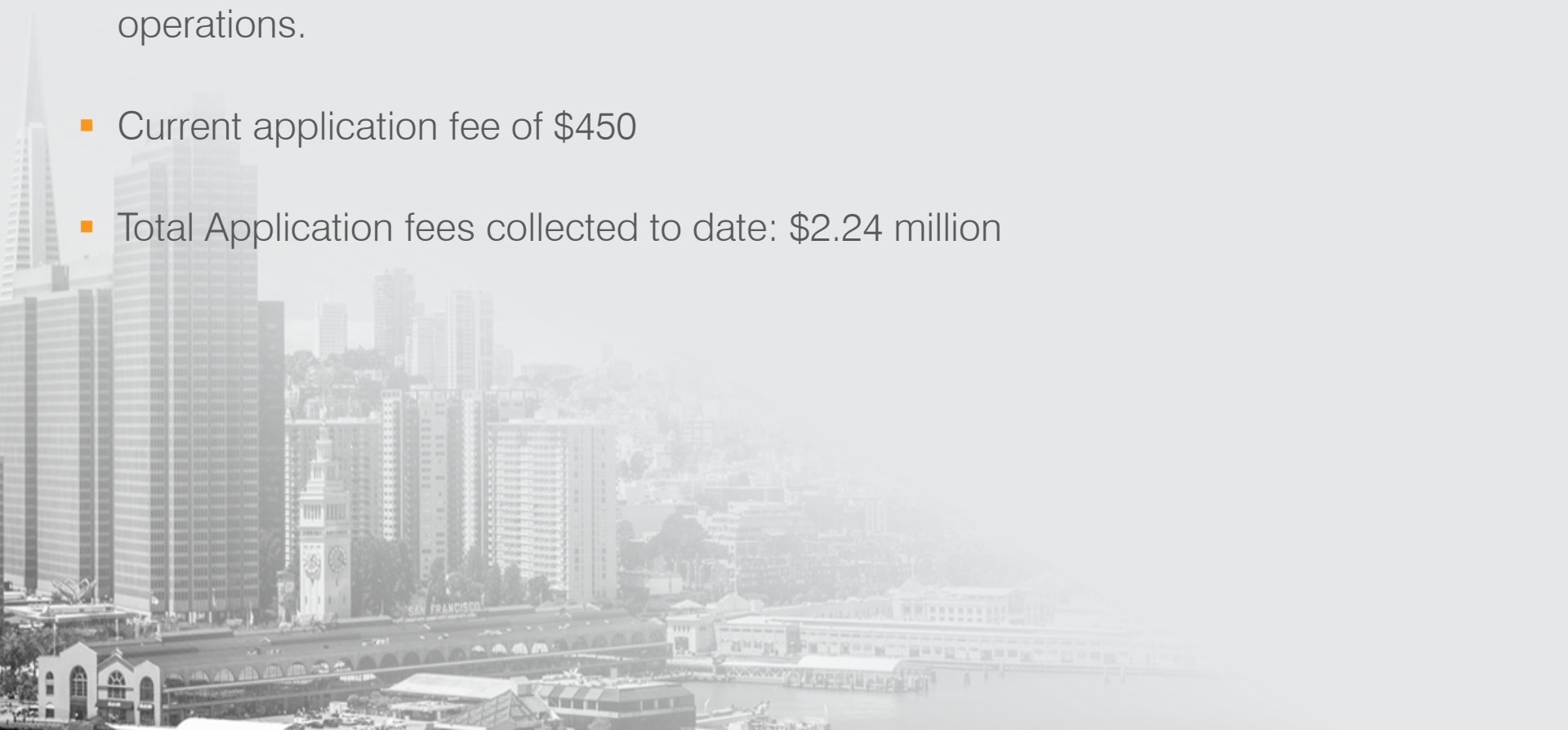
OSTR as of 2021 | Applications and Certificates

- Prior to 2019 approximately 14% of hosts identified as renters
- As of 2021 approximately 10% of hosts identified as renters



OSTR as of 2021 | Applications and Certificates

- Original application fee was \$50 for a two-year certificate
- Admin Code requires Controller's Office fee studies to adjust application fee based on revenues (application fees and enforcement penalties) fund OSTR operations.
- Current application fee of \$450
- Total Application fees collected to date: \$2.24 million



OSTR as of 2021 | Enforcement & Compliance

- Enforcement and Compliance occur via:
 - Application review
 - Received Complaints
 - Proactive Actions



OSTR as of 2021 | Enforcement & Compliance

Application Review

- Denials of pending applications that are hosting guests
 - Largely due to non-residency by applicant:
 - Operation akin to a tourist hotel
 - Applicant resides in one unit while offering a 2nd unit for short-term rental in the same building
 - Open code enforcement actions from sister agencies (e.g. unpermitted construction)

OSTR as of 2021 | Enforcement & Compliance

Received Complaints

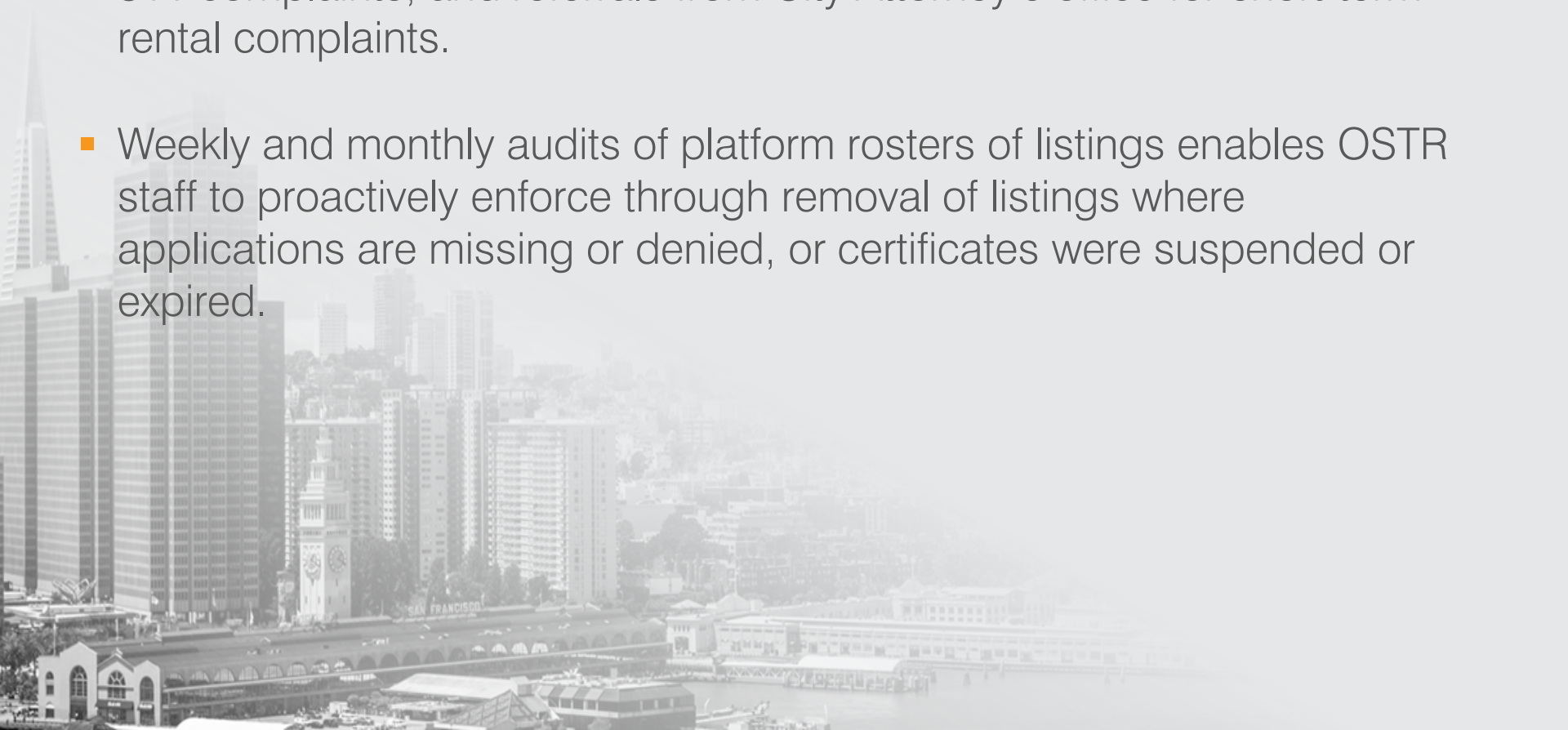
- Majority of received complaints tied to:
 - Noise/party issues
 - Non-residency by host
 - Short-term rental conducted in commercial or industrial spaces
 - Unauthorized Group Housing (shared rooms with five to twenty bunk beds)

Complaints submitted for rentals that are Intermediate Length Occupancy are forwarded to Planning Department Code Enforcement.

OSTR as of 2021 | Enforcement & Compliance

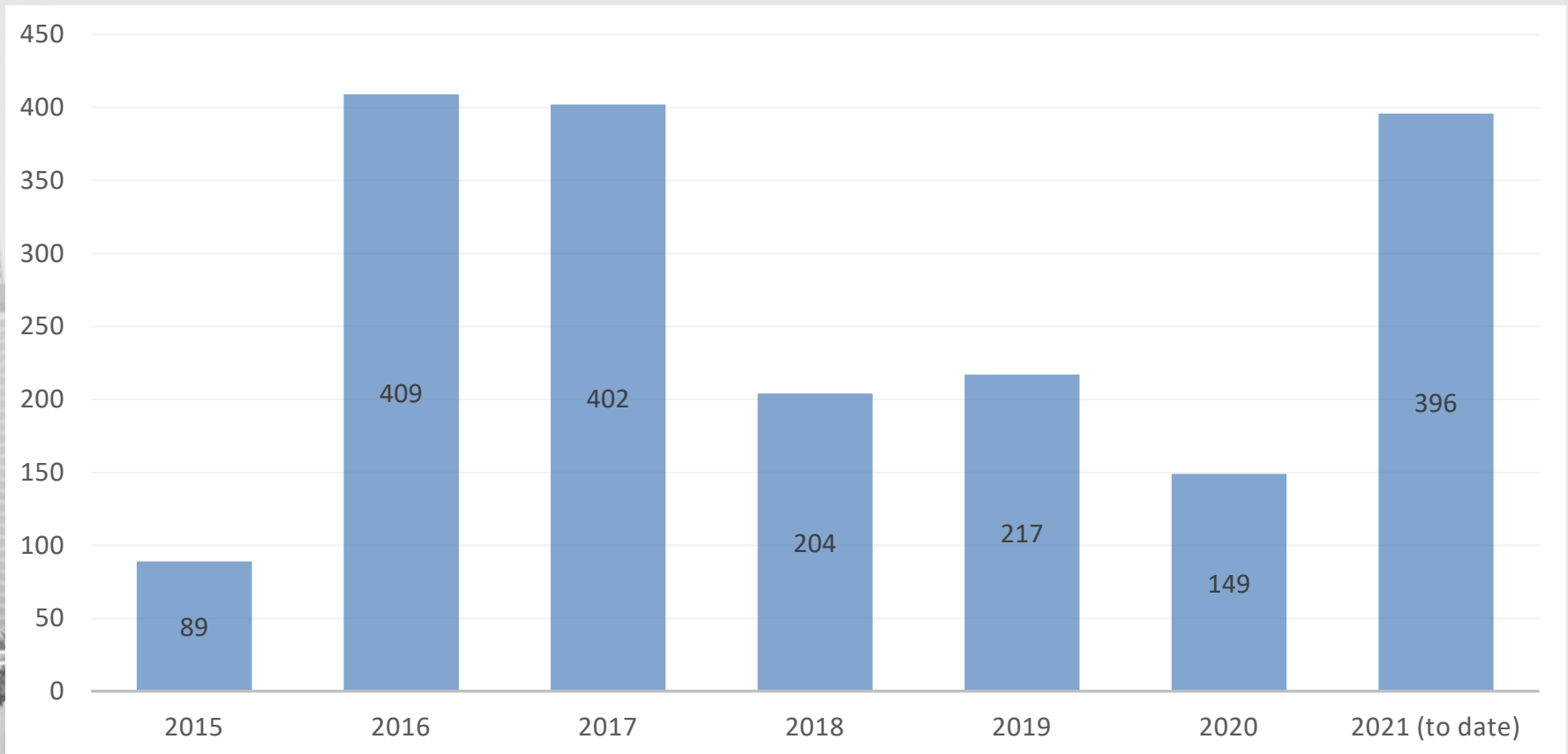
Proactive Actions

- OSTR staff proactively reviews building & fire code complaints, 311 complaints, and referrals from City Attorney's office for short-term rental complaints.
- Weekly and monthly audits of platform rosters of listings enables OSTR staff to proactively enforce through removal of listings where applications are missing or denied, or certificates were suspended or expired.



OSTR as of 2021 | Enforcement & Compliance

- ~1,865 Short-Term Rental Complaints Closed &/or Abated Since 2015



OSTR as of 2021 | Enforcement & Compliance

- Complaint review timelines vary based on the nature of the complaint
 - Majority of complaints are tied to pending applications. Staff will triage review and may deny an application, and de-list short-term rentals, where appropriate.
 - Some complaints require referral to other City agencies, including Department of Building Inspection, Fire Department, and Planning Department Code Enforcement (Unauthorized Group Housing, and Intermediate Length Occupancies)
- Many complaints filed before 2018 likely reflect short-term activity that ceased as a result of mass de-listing due to short-term rental platform accountability law taking effect.

OSTR as of 2021 | Suspensions & Revocations

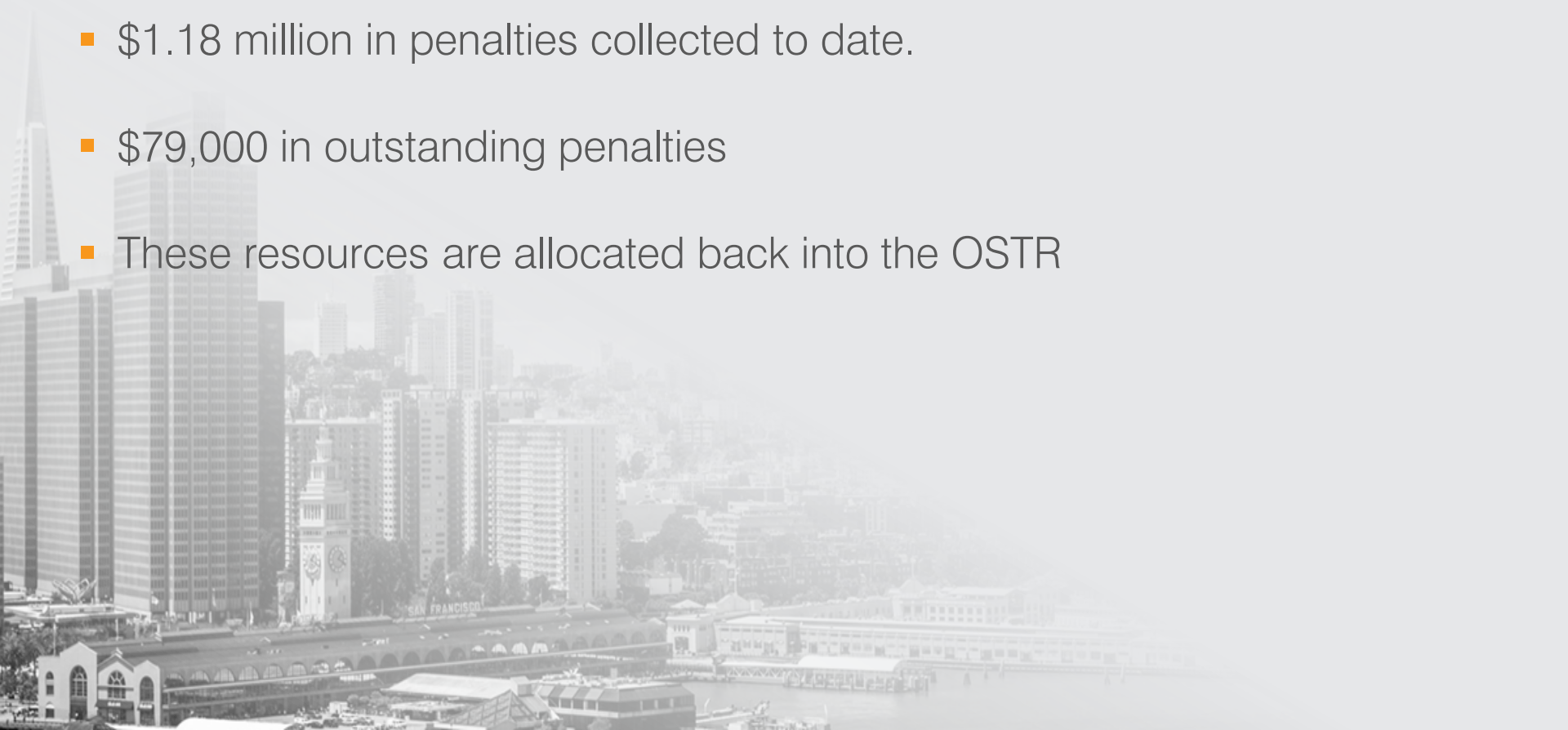
- For active certificates, OSTR suspends certificates where there is a violation of short-term rental law. Staff also asks hosting platforms to remove associated listings.
 - Primary causes of suspensions include non-residency, code complaints, closure of business registrations, and failure to provide business records.

A substantial portion of complaint review currently focuses on denial of pending applications for reasons noted above.

Staff also conducts requests for additional business records (booking calendars and reservation pay out schedules) including through administrative subpoenas submitted to hosting platforms. This information is used along with site visits and listing reviews to verify residency and respond to complaints accordingly.

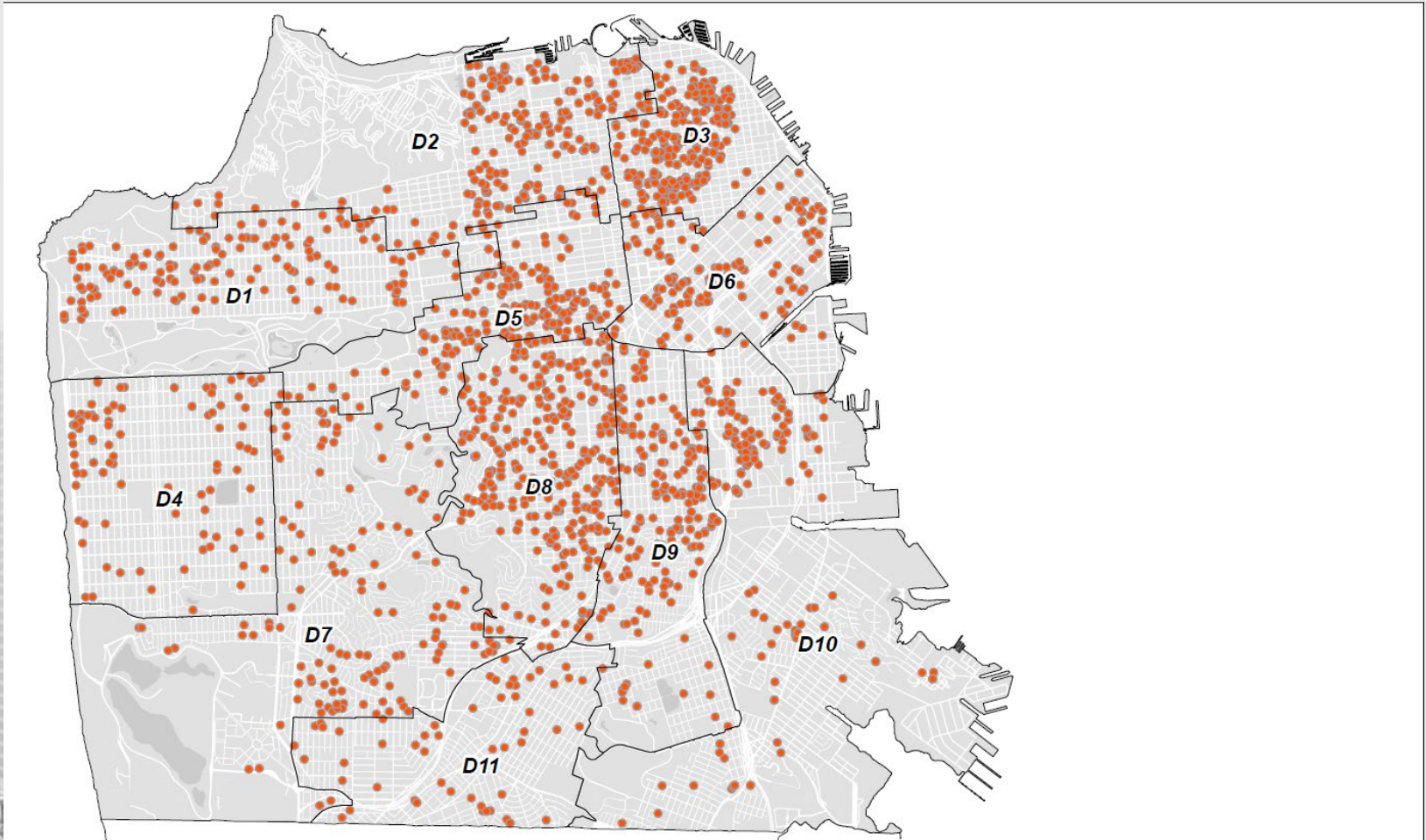
OSTR as of 2021 | Enforcement & Compliance

- As of September 2021, 1,865 enforcement cases abated
- \$1.26 million in penalties assessed to date.
- \$1.18 million in penalties collected to date.
- \$79,000 in outstanding penalties
- These resources are allocated back into the OSTR

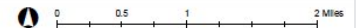


Short-Term Rental Complaints to Date

- Map of Enforcement cases



Short Term Rentals (Enforcement Cases)
SAN FRANCISCO



Office of Short-Term Rentals

- Community Response



Short-Term Rentals in San Francisco | Community Response

- Hosts have noted concerns with increases in application fees and transition to online application and account management through the Accela online permitting system.
- Neighbors and neighborhood groups have generally supportive of hosting that is in compliance with City's rules and staff has noticed a general lack of complaints when the host is in compliance with rules, including permanent residency.
- Platform accountability and property owner notification has led to a substantial drop in complaints from owners and managers of apartment buildings with respect to short-term rentals conducted by lessees.

A night-time photograph of the Golden Gate Bridge in San Francisco. The bridge's towers and suspension cables are illuminated with a warm orange glow. The city lights of San Francisco are visible in the background across the water. The sky is a deep blue.

IN SUM, OSTR HAS STEADILY WORKED TO STOP MANY HOSTS FROM OPERATING DE FACTO TOURIST HOTELS IN THE CITY'S SCARCE HOUSING STOCK

TODAY THERE IS A GREATER UNDERSTANDING OF THE SHORT-TERM RENTAL REGULATIONS AND CONSEQUENTLY OSTR IS SEEING FEWER EGREGIOUS VIOLATORS

OSTR WILL CONTINUE TO VET THE SHORT-TERM RENTAL HOST POPULATION TO ASSURE THAT HONEST OPERATORS CONTINUE, WHILE PRESERVING NEIGHBORHOOD QUALITY OF LIFE AND LONG-TERM RESIDENTIAL USES CITYWIDE