

LEGISLATIVE DIGEST

[Administrative, Planning Codes - Suspension of Ordinance No. 218-14 - Regulation of Short-Term Residential Rentals]

Ordinance amending the Administrative and Planning Codes to suspend Ordinance No. 218-14, which provided an exception for permanent residents to the prohibition on short-term residential rentals under certain conditions, created procedures, including a registry administered by the Planning Department, for tracking short-term residential rentals and compliance, established an application fee for the registry, and clarified that short-term residential rentals shall not change a unit's type as residential, but provide that Ordinance No. 218-14 will become operative again 30 days after the Treasurer/Tax Collector certifies that all short-term residential rental hosting platforms have remitted all Transient Occupancy Taxes that are due and payable; affirming the Planning Department's determination under the California Environmental Quality Act; and making findings of consistency with the General Plan, and the eight priority policies of Planning Code, Section 101.1.

Existing Law

On October 21, 2014, the Board of Supervisors adopted Ordinance No. 218-14, Board File No. 140381. That ordinance provided an exception for permanent residents to the City's prohibition on short-term residential rentals of less than 30 days, under certain conditions; created procedures, including a registry administered by the Planning Department, for tracking short-term residential rentals and compliance; established an application fee for the registry; and clarified that short-term residential rentals do not change a unit's type as residential for zoning purposes. The Mayor signed Ordinance No. 218-14 on October 27, 2014, and it became effective 30 days thereafter. By its terms, Ordinance No. 218-14 is operative and enforceable starting on February 1, 2015.

The Transient Occupancy Tax is a tax on the occupancy of hotel guest rooms under Articles 6 and 7 of the San Francisco Business and Tax Regulations Code. The tax is calculated as a percentage of the rent for the occupancy of a hotel guest room in San Francisco. The occupant is required to pay the tax when paying rent, and hotel operators must collect the tax when they collect the rent from occupants. Under the Code and the Treasurer's regulations interpreting it, a website company or other person who receives rent in connection with short-term rental occupancy transaction must collect the tax owed by the occupant and remit it to the City.

Amendments to Current Law

The proposed ordinance would suspend Ordinance No. 218-14. As a result of the suspension, local law would prohibit renting a residential unit for less than a 30-day term, essentially returning the law to its status prior to February 1, 2015. The suspension of

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Ordinance No. 218-14 will end, and Ordinance No. 218-14 will become operative again, if the Treasurer/Tax Collector certifies to the Clerk of the Board of Supervisors that all short-term rental hosting platforms that are responsible for collecting Transient Occupancy Tax have remitted all Transient Occupancy Taxes that are due and payable under local law.

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