

BOARD of SUPERVISORS



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MEMORANDUM

TO: Kevin Guy, Director, Office of Short-Term Rental Administration and Enforcement

FROM: *ll for* Alisa Somera, Legislative Deputy Director
Land Use and Transportation Committee

DATE: February 13, 2017

SUBJECT: LEGISLATION INTRODUCED

The Board of Supervisors' Land Use and Transportation Committee has received the following proposed legislation, introduced by Supervisor Peskin on February 7, 2017:

File No. 170158

Ordinance amending the Administrative Code to revise the Residential Unit Conversion Ordinance to require Hosting Platforms to exercise reasonable care in verifying that a residential unit is on the City Registry prior to accepting a fee for booking a short-term rental transaction; and affirming the Planning Department's determination under the California Environmental Quality Act.

If you have comments or reports to be included with the file, please forward them to me at the Board of Supervisors, City Hall, Room 244, 1 Dr. Carlton B. Goodlett Place, San Francisco, CA 94102 or by email at: alisa.somera@sfgov.org.

1 [Administrative Code - Short-Term Residential Rentals]

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3 **Ordinance amending the Administrative Code to revise the Residential Unit Conversion**
4 **Ordinance to require Hosting Platforms to exercise reasonable care in verifying that a**
5 **Residential Unit is on the City Registry prior to accepting a fee for booking a short-term**
6 **rental transaction; and affirming the Planning Department’s determination under the**
7 **California Environmental Quality Act.**

8 NOTE: **Unchanged Code text and uncodified text** are in plain Arial font.
9 **Additions to Codes** are in *single-underline italics Times New Roman font*.
10 **Deletions to Codes** are in *strikethrough italics Times New Roman font*.
11 **Board amendment additions** are in double-underlined Arial font.
12 **Board amendment deletions** are in ~~strikethrough Arial font~~.
13 **Asterisks (* * * *)** indicate the omission of unchanged Code
14 subsections or parts of tables.

15 Be it ordained by the People of the City and County of San Francisco:

16 Section 1. The Planning Department has determined that the actions contemplated
17 in this ordinance comply with the California Environmental Quality Act (California Public
18 Resources Code Sections 21000 et seq.). Said determination is on file with the Clerk of the
19 Board of Supervisors in File No. ___ and is incorporated herein by reference. The Board
20 affirms this determination.

21 Section 2. The Administrative Code is hereby amended by revising Section 41A.5, to
22 read as follows:

23 **SEC. 41A.5. UNLAWFUL CONVERSION; REMEDIES.**

24 * * * *

25 (g) **Exception for Short-Term Residential Rental.**

1 * * * *

2 **(4) Requirements for Hosting Platforms.**

3 * * * *

4 (C) A Hosting Platform may provide, and collect a fee for, Booking
5 Services in connection with short-term rentals for Residential Units located in the City and
6 County of San Francisco only when the Hosting Platform exercises reasonable care to confirm that
7 those Residential Units are lawfully registered on the Short-Term Residential Rental Registry
8 at the time the Residential Unit is rented for short-term rental. *Whenever a Hosting Platform*
9 *complies with administrative guidelines issued by the Office of Short-Term Residential Rental*
10 *Administration and Enforcement to confirm that the Residential Unit is lawfully registered on the*
11 *Short-Term Rental Registry, the Hosting Platform shall be deemed to have exercised reasonable care*
12 *for the purpose of this subsection (g)(4)(C).*

13 * * * *

14
15 Section 3. Effective Date. This ordinance shall become effective 30 days after
16 enactment. Enactment occurs when the Mayor signs the ordinance, the Mayor returns the
17 ordinance unsigned or does not sign the ordinance within ten days of receiving it, or the Board
18 of Supervisors overrides the Mayor's veto of the ordinance.

19
20 Section 4. Scope of Ordinance. In enacting this ordinance, the Board of Supervisors
21 intends to amend only those words, phrases, paragraphs, subsections, sections, articles,
22 numbers, punctuation marks, charts, diagrams, or any other constituent parts of the Municipal
23 Code that are explicitly shown in this ordinance as additions, deletions, Board amendment
24
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1 additions, and Board amendment deletions in accordance with the "Note" that appears under
2 the official title of the ordinance.

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4 APPROVED AS TO FORM:
5 DENNIS J. HERRERA, City Attorney

6 By: 
7 JON GIVNER
Deputy City Attorney

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LEGISLATIVE DIGEST

[Administrative Code - Short-Term Residential Rentals]

Ordinance amending the Administrative Code to revise the Residential Unit Conversion Ordinance to require Hosting Platforms to exercise reasonable care in verifying that a residential unit is on the City Registry prior to accepting a fee for booking a short-term rental transaction; and affirming the Planning Department's determination under the California Environmental Quality Act.

Existing Law

Administrative Code Chapter 41A prohibits short-term rentals (rentals of less than 30 days) of residential units in the City unless the permanent resident of the unit registers the unit with the City's Office of Short-Term Residential Rental Administration and Enforcement (known as the Office of Short-Term Rentals) and agrees to adhere to various rules and restrictions. Hosting Platforms may provide, and collect a fee for, booking services in connection with short-term rentals only when the rented units are lawfully registered on the City's Short Term Residential Rental Registry. A Hosting Platform that provides booking services for an unregistered unit violates Chapter 41A and is subject to potential penalties and other administrative or judicial relief.

Amendments to Current Law

The ordinance would allow Hosting Platforms to provide, and collect a fee for, booking services only if the Hosting Platforms *exercise reasonable care* to confirm that the rented units are lawfully registered on the Short Term Residential Rental Registry at the time the units are rented for short-term rental. Under the proposed ordinance, Hosting Platforms exercise reasonable care if they comply with administrative guidelines issued by the Office of Short-Term Rentals to confirm that the unit is lawfully registered.

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