File No.	<u> 151245 </u>	Committee

Committee	item No.	<u> </u>	
Board Item	No.		

COMMITTEE/BOARD OF SUPERVISORS

AGENDA PACKET CONTENTS LIST

Committee:	Government Audit and Oversight	<u>t</u> D	ate:	January 17, 2018	
Board of Sup	pervisors Meeting:	D	ate:		
Cmte Boar					
	Motion				
	Resolution				
	Ordinance				
H	Legislative Digest	D4			
H	Budget and Legislative Analyst	Report			
	Youth Commission Report				
	Introduction Form	r ond/o	r Don	a # 4	
H	Department/Agency Cover Lette MOU	anu/o	rkep	Jit	
H	Grant Information Form				
H	Grant Budget				
	Subcontract Budget				
	Contract/Agreement				
H H	Form 126 – Ethics Commission				
	Award Letter				
	Application				
\overline{X}	Public Correspondence				
OTHER	(Click the text below for a direct	link to	the d	ocument)	
	OSTR Presentation - April 28, 20	117			
	OSTR Presentation - November				
	OSTR Presentation - April 25, 2016				
STR Presentation - January 11, 2016					
	Referral FYI - December 9, 2015				
_ _					
Prepared by	: John Carroll	Date: _	Janua	ary 12, 2018	
Prepared by	:	Date: _			

Overview of Registration, Outreach and Enforcement for Short-Term Rentals



REGISTRATION TO LEGALLY HOST SHORT-TERM RENTALS*

Denied Applications	359
Revocations (or withdrawn by host)	198 (24)
Approved Short-Term Rental Hosts	2,106

REGISTRATION

- ➤ OSTR Working with Department of Technology to launch online registration
 - Launch estimated in June
 - Online business registration with Office of Treasurer & Tax Collector is already in place.
 - Business registration with Tax Collector is the first step in obtaining the required registration with Office of Short-Term Rentals.

REGISTRATION | Outreach

- > Current in-person appointments, to begin registration, typically takes 15 minutes
- > Average review and approval time after submittal is two (2) weeks
- > Primary reasons for denials
 - Host does not reside at the property at least 275 nights per year
 - Building or Planning Code Violations
 - Host previously subject to multiple notices of violation for illegal short-term rentals elsewhere



REGISTRATION | Outreach

- ➤ Walk-in appointments available first Monday evening of each month (except July), and every Wednesday afternoon from 1pm to 4pm
- OSTR has held off-site registration events at multiple City libraries and City fairs/events
- > OSTR launched a new website this Spring: shorttermrentals.sfgov.org

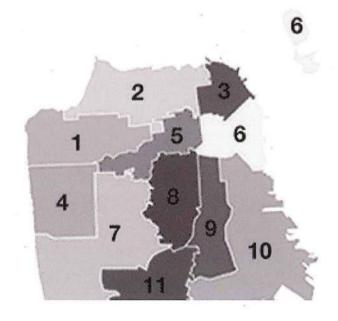
ENFORCEMENT

- Over 1,488 Notices of Violation issued for illegal short-term rental activity
 - ➤ Representing over 1,600 dwelling units
- ➤ Majority of notices of violation involve high-volume short-term rental activity
 - > Host (owner or lessee) typically does not live on-site and is not eligible to register
 - ➤ Hosts in violation include both property owners and lessees
 - Lessees includes both actual tenants and those who do not reside at property



ENFORCEMENT | Illegal Short-Term Rental Complaints, by Supervisorial District

D1	101	D5	156	D9	110
D2	150	D6	228	D10	232
D3	182	D7	74	D11	14
D4	35	D8	203	Total	1,485





ENFORCEMENT | Illegal Short-Term Rental Complaints | Status

Under Review (Submitted by Public, or Office initiated)	667	
Closed – No Violation	173	
Closed – Abated	645	
Total	1,485	

ENFORCEMENT | Illegal Short-Term Rental Complaints | Status

Under Review (Submitted by Public, or Office initiated)	667
Closed - No Violation	173
Closed – Abated	645
Total	1,485

Under Review Factors

- Older complaints where activity may have ceased
- Appears to actually be 30+ minimum day stays (typically "corporate" rentals), therefore no likely violation
- Activity is infrequent or shifts between properties

ENFORCEMENT | Types of Violations

- ➤ High Volume operators (owners & lessees) with multiple properties across City
- Group Housing ("Hostels") in Single Family Residential Neighborhoods
- ➤ Owner or tenant lives on-site, but utilizes 2nd or 3rd dwelling in same building as full-time (illegal) short-term rental (eligible host must reside in their actual dwelling unit)
- ➤ Affordable (mostly Below-Market-Rate, or "BMR") units.
 - OSTR staff works with Mayor's Office of Housing and Community Development, with notices issued by OSTR
- ➤ Single-Room-Occupancy (SROs) and Residential Hotels in South of Market Area (SOMA), Tenderloin, and Chinatown.
 - > OSTR staff assists Department of Building Inspection with research & enforcement



ENFORCEMENT | Revocations

- ➤ Bulk of revocations are due to host not being a permanent resident (present at least 275 nights per year) and operating high-volume short-term rentals.
- > Smaller number of revocations due to sustained pattern of noise/party complaints.
- Limited number of registrations suspended due to code violations. Primarily building code violations for illegal dwellings.



ENFORCEMENT | Platform Requirements

- ➤ 2016 changes to existing ordinance regulating Short-Term Rentals (Chapter 41A of the SF Administrative Code) requires provision of data from platforms to assist with registration and enforcement.
 - ➤ No changes are pending for short-term rental hosts
- ➤ 2016 changes also requires platforms to block short-term rental transactions if dwelling unit is not registered to legally host short-term rentals.
- ➤ City is in Federal court mediation conferences, after some of the hosting platforms (websites) contested the City's rules. Mediation deals with implementation of requirements for *hosting platforms* (websites).



Thank You

- ➤ Website: <u>shorttermrentals.sfgov.org</u>
 - Begin Registration
 - ➤ Learn about the City's Rules
 - > File a Complaint
- Phone: (415) 575-9179

Office of Short-Term Rentals

GAO Committee

October 3, 2016

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Program Overview

- Effective February 1, 2015
- Allows permanent residents to rent homes < 30 days
- Office of Short-Term Rentals established in July 2015 to administer Short-Term Rental Program
- Oversees registration and enforcement



Registration Overview

- 2,253 applications received
 - 229 certificates disapproved
 - 133 applications incomplete
 - 57 applications under review
- 1,758 certificates issued
 - 76 certificates cancelled
 - 1,682 registered hosts
- 3 4 week processing time for most applications

OFFICE OF SHORT-TERM RENTALS

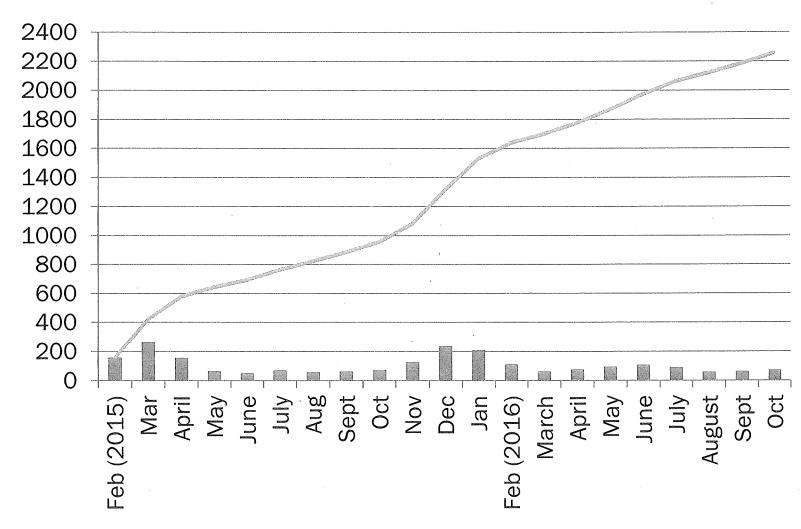


Registration Overview

	October 2016	April 2016	January 2016
Applications Received	2,253	1,747	1,318
Registered Hosts	1,682	1,210	879
Apps. Disapproved/Incomplete	438	425	170
Pending Review	57	112	269

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Registrations Applications to Date





Process Improvements - Program Access

- Weekly Walk-In Hours: Wednesdays, 1:00pm 4:00pm
- Monthly Evening Walk-In Hours: First Monday, 5:30pm 7:30pm
- Expanded Appointment Hours
- Community Registration Events in Spring/Summer



Process Improvements

- Generally pause enforcement while application is pending
- New website
 - Easier filing of quarterly reports
 - Host account tools
- On-line application submittal
 - Would still require some in-person contact
 - Fully on-line application requires data transparency
- Data transparency w/ platforms is critical for more extensive changes



Enforcement

- Proactive focus on major offenders:
 - Hosts with multiple units
 - Full-time vacation rentals
 - Second violations
- Notices of Violation (NOV) issued to platforms
 - Failure to inform users of SF requirements
- Utilizing webscrapes to facilitate, prioritize cases
- 856 cases opened since February 1, 2015
- Notices of Violation Issued for 349 dwelling units
- 417 cases fully closed, 151 pending closure (182 dwelling units)
- \$870,000 in penalties assessed



Host Reporting

- Latest Quarter: July-Sept 2016
- 72% response rate
- Hosting Types
 - 50% hosted rentals only
 - 21% unhosted rentals only
 - 17% combined hosted/unhosted
 - 12% reported no stays
- Revoking certificates for failing to report



Recent Legislation

- Summer 2016 Passed
 - Impose additional requirements on platforms
 - Verify registration of hosts
 - Subject to penalties for unregistered hosts
 - Currently in litigation
- October 2016 Introduced by BOS
 - Cap all rentals at 60 nights per year
 - Modify private right of action timelines, parties
- October 2016 Introduced by OSTR
 - Retain existing \$50 application fee
 - Tie future increases to CPI



Office of Short-Term Rentals Contact Info

- Website: <u>http://shorttermrentals.sfgov.org</u>
- Enforcement Complaints/General Inquiries: 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

OFFICE OF SHORT-TERM RENTALS

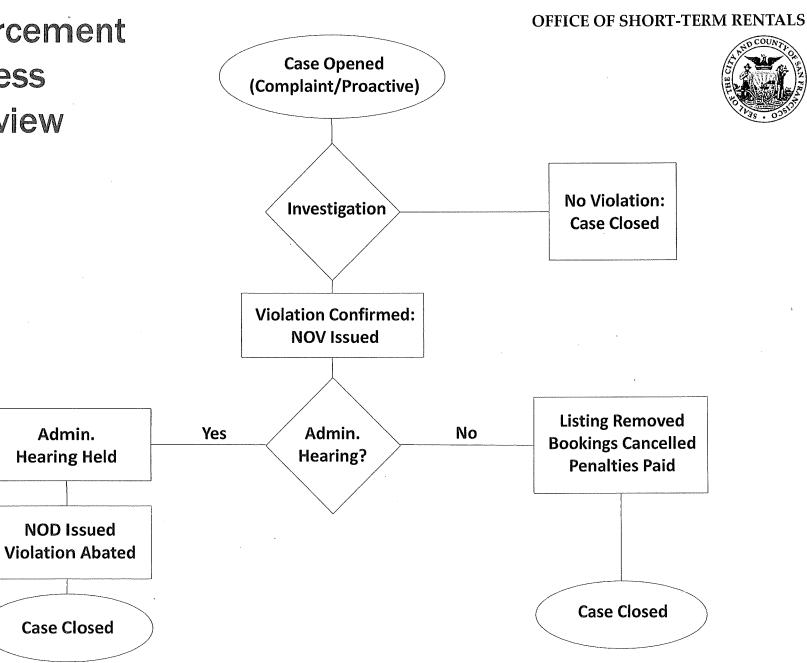




Listing/Host Data

- 8,665 listings / 6,700 Airbnb hosts
 - 5% are 30+ days
 - 25% have no reviews/last reviewed in 2014
- Listings on other platforms:
 - VRBO/Homeaway: 2,410
 - Flipkey: 977
- Some units are cross-listed on multiple platforms

Enforcement **Process** Overview



Admin.

Hearing Held

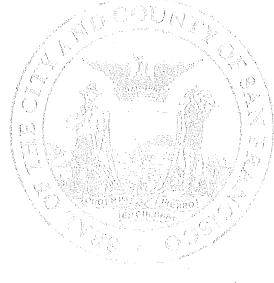
NOD Issued

Case Closed

Office of Short-Term Rentals

Land Use and Transportation Committee

April 25, 2016

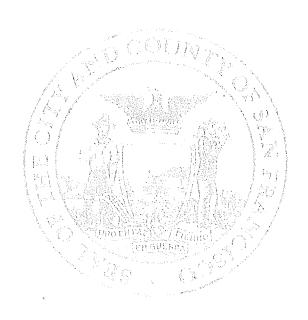


OFFICE OF SHORT-TERM RENTALS



AGENDA

- 1. PROGRAM OVERVIEW
- 2. REGISTRATION/OUTREACH
- 3. LISTING/HOST DATA
- 4. ENFORCEMENT
- 5. HOST REPORTING





Program Overview

- Ordinance 218-14 amends the administrative code regulations on short-term rentals, effective February 1, 2015
- Allows permanent residents to rent homes < 30 days
- Office of Short-Term Rentals established in July to administer Short-Term Rental Program
- Oversees registration and enforcement

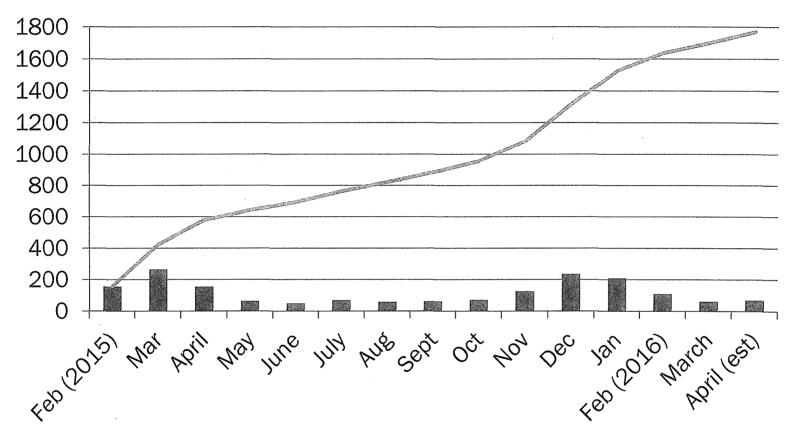


Registration Overview

	April 2016	January 2016
Applications Received	1,747	1,318
Registered Hosts	1,210	879
Apps. Rejected/Incomplete	425	170
Pending Review	112	269

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Registrations Applications to Date





Registration Process

- 1) Obtain business registration from TTX
- 2) Attend OSTR application intake appointment, submit:
 - Completed application
 - Two proofs-of-residency
 - Proof of insurance
- 3) OSTR reviews application materials, compares against public records
- 4) OSTR issues either approved certificate or denial letter with explanation



Outreach to Date

- Media
 - SF Chronicle (press releases, interviews)
 - KPIX (interview)
 - KQED Radio (interview)
 - Sound of Hope Radio (interview)
- Presentations to Resident Groups
 - Small Property Owners of SF Institute
 - Homesharers of SF
 - Hayes Valley Neighborhood Association
- Public Registration Events
 - City Hall Registration Fair (March 22)
 - Earthquake Retrofit Fair (April 18)



Program Access

- Weekly Walk-In Hours: Wednesdays, 1:00pm 4:00pm
- Monthly Evening Walk-In Hours: First Monday, 5:30pm 7:30pm
- Upcoming Community Registration Events:
 - Ortega Branch Library: May 5th, 5:30pm 8:30pm
 - Potrero Branch Library: May 19th, 5:30pm 8:30pm
 - Additional events in June TBD



Listing/Host Data

- 7,029 listings / 5,378 Airbnb hosts (Nov '15 BLA report)
 - Entire unit: 57%
 - Private room: 37%
 - Shared room: 5%
- 9,448 listings/7,047 hosts (Mar '16 Airbnb self-reported)
- Listings on other platforms:
 - VRBO: 1,774
 - Homeaway: 1,793
 - Flipkey: 896
 - (Some units are cross-listed on multiple platforms)



Unregistered Host Profiles

- Hosts ineligible to register:
 - Full-time vacation rentals (18%)
 - Multiple properties (7%)
 - Rentals > 30 days (4%)
 - Hotels & timeshares (1%)
- Listings with no reviews (13%)
- Tenants with a "no-subletting" clause (% unknown)
- Recent applications have had a higher rejection rate
 - Incomplete documentation
 - Contradicts information from publicly-available sources
- Will issue letters to hosts with Business Registration, but no certificate from OSTR



Enforcement

- Proactive focus on major offenders:
 - Hosts with multiple units
 - Full-time vacation rentals
 - Second violations
- Notices of Violation (NOV) issued to platforms
 - Failure to inform users of SF requirements
- Utilizing webscrapes to facilitate, prioritize cases
- 423 cases opened since February 1, 2015
- Notices of Violation Issued for 174 dwelling units
- 169 cases fully closed, 61 pending closure (95 dwelling units)
- \$695,000 in penalties assessed



Host Reporting

- Began January 1, 2016
- 62% response rate
- Hosting Types
 - 52% hosted rentals only
 - 18% unhosted rentals only
 - 23% combined hosted/unhosted
 - 6% reported no stays
- Quarterly reporting resumed April 1
 - Improved response rate vs. January
 - Email reminders and form improvements

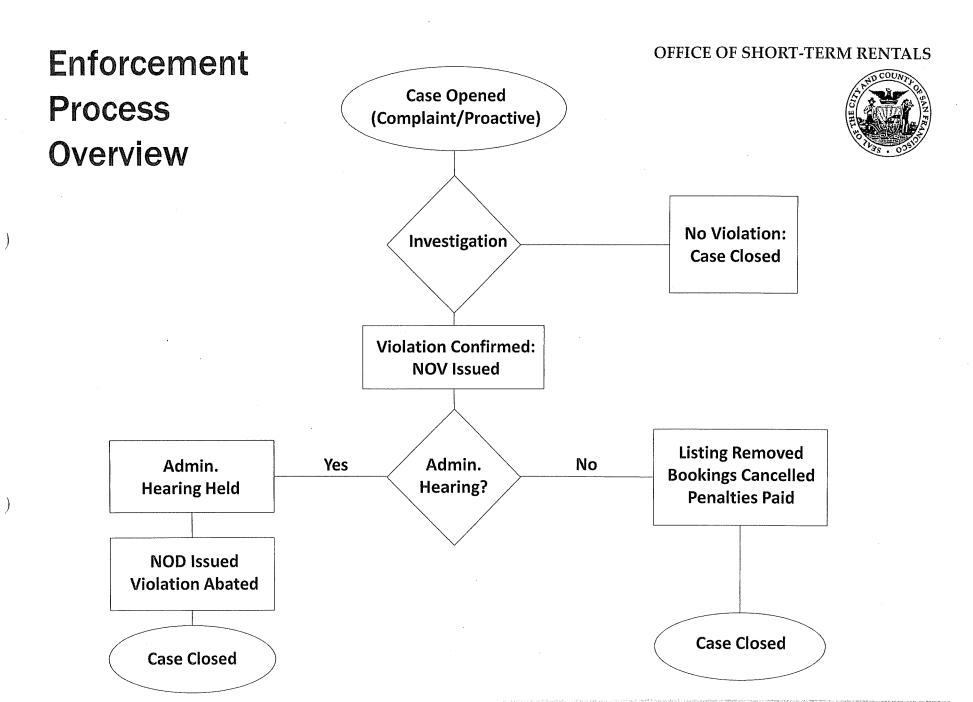


Office of Short-Term Rentals Contact Info

- Registration:
 http://businessportal.sfgov.org/start/starter-kits/short-term-rental
- Enforcement Complaints/General Inquiries: 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

OFFICE OF SHORT-TERM RENTALS







Requests to Hosting Platforms

- Identify hosts with listings for multiple properties in San Francisco
- Require that website users/hosts include a City registration number for their SF listings
- Deactivate listings of year-round vacation rentals
- Provide specific addresses of listings subject to complaints submitted to OSTR
- Provide content to STR hosts regarding legal requirements (registration, reporting, business tax, etc.)

File No. 151245

1/11/16 Presented in Committee

(Kevin Guy, Director, Office of Short Term Residential Rental Administration & Enforcement)

PROGRAM OVERVIEW

Office of Short-Term Rentals





AGENDA

- 1. PROGRAM OVERVIEW
- 2. REGISTRATION STATUS
- 3. OUTREACH TO PLATFORMS
- 4. ENFORCEMENT STATUS
- 5. WEBSITE CHANGES





Program Overview

- Regulations effective February 1, 2015
- Allows permanent residents to rent homes < 30 days
- OSTR established in July to administer STR Program
- Oversees registration and enforcement

OFFICE OF SHORT-TERM RENTALS



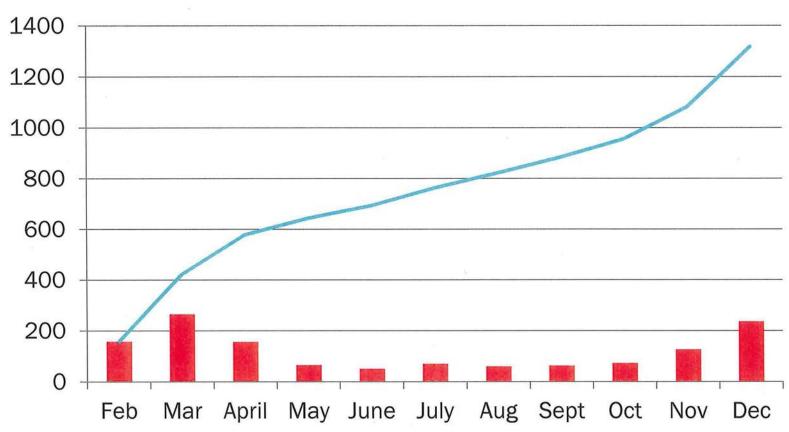
Registration Status

- 1,318 applications received
- 879 registered hosts
- 170 applications rejected/incomplete
- 269 applications pending review
- Approx. 150 appointments in January

OFFICE OF SHORT-TERM RENTALS



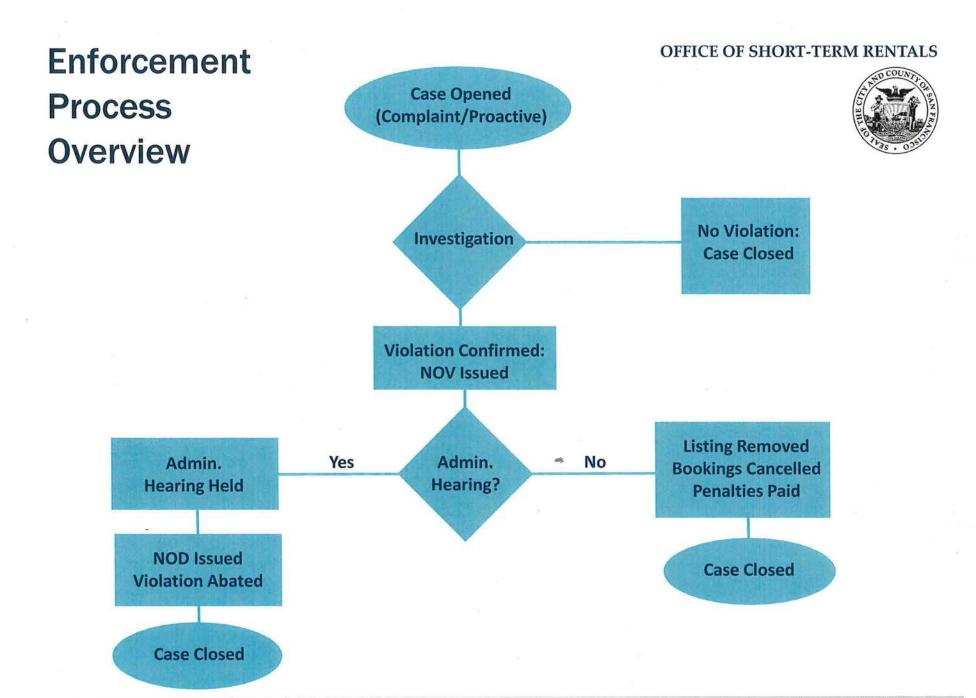
Registrations Applications in 2015





Requests to Hosting Platforms

- Identify hosts with listings for multiple properties in San Francisco.
- Require that website users/hosts include a registration number for their SF listings.
- Deactivate listings of year-round vacation rentals.
- Link listings to specific addresses when provided to OSTR by complainant.
- Push content to SF hosts regarding requirements (registration, reporting, business tax, etc.)





Enforcement Status

- 264 cases opened since February 1, 2015
- 155 cases under investigation
- 14 cases issued Notices of Violation, pending closure
- 95 cases fully closed



Enforcement Status

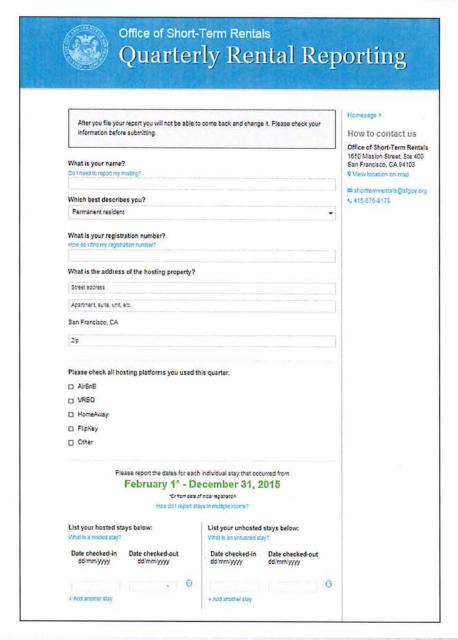
- \$475,000 in penalties assessed
- Cases involving 64 dwelling units
- \$124,000 in penalties collected
- Outstanding penalties referred to BDR
- Procedures emphasize abatement without hearings
- Increased proactive enforcement activity
- Enhanced monitoring for future compliance



Website Changes: Quarterly Host Reporting

- Required per Admin. Code 41A
- Hosts report activity for last quarter, or from date of initial registration
- On-line form reporting form active on January 4, 2016
- Reports due February 1, 2016

OFFICE OF SHORT-TERM RENTALS







Pending Website Changes

- On-line Complaint Form
- Posting of enforcement notices
- Real-time registration and enforcement data
- "Heat maps" of STR clusters

150 Mic Pages

OR GANIZE DSANFRANCIS

San Francisco Small Business Owner
Organized Chaos Events
25 Josiah Avenue
San Francisco, CA 941112
Tuesday, April 25, 2017
San Francisco Board of Supervisors

RE: Home Sharing Helps Support Small Business

Dear Supervisor,

As a member of San Francisco's thriving small business community, I am writing in support of home sharing, which provides an economic lifeline to many middle-income San Franciscans and a critical pipeline of customers to small businesses across the city.

Moreover, Airbnb helps make San Francisco an affordable place to visit for hundreds of thousands of visitors each year-and many restaurants and store owners are seeing steady tourism business for the first time because the majority of hosts are located outside downtown and the Financial District. Altogether, Airbnb guests drive \$495 million of economic activity in San Francisco each year. For store owners in neighborhoods like the Bayview, Outer Sunset, Excelsior, Dogpatch, Noe Valley, Glen Park, and the Richmond that typically haven't been on the radar for tourists, Airbnb is the primary-if not the only-connection to the City's otherwise booming hospitality industry.

San Francisco isn't an easy place to run a small business. Please consider the impact of additional short-term rental restrictions. Businesses like ours, as well as the City overall greatly benefit from the home sharing community.

The Board of Supervisors should continue their vital work to improve San Francisco by protecting the ability of middle class residents to share their homes and strengthen their neighborhoods.

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Sincerely,

Constance Adamopoulos
Mastermind / CEO
Organized Chaos Events
25 Josiah Ave
San Francisco, CA 94112
415-337-7770

BOARD of SUPERVISORS



City Hall

1 Dr. Carlton B. Goodlett Place, Room 244
San Francisco 94102-4689
Tel. No. 554-5184
Fax No. 554-5163
TDD/TTY No. 554-5227

MEMORANDUM

TO:

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

FROM:

Alisa Somera, Assistant Clerk, Board of Supervisors

DATE:

December 9, 2015

SUBJECT:

LEGISLATION INTRODUCED

The Board of Supervisors' Land Use and Transportation Committee has received the following request for hearing, introduced by Supervisor Wiener on December 1, 2015:

File No. 151245

Hearing on short-term residential rentals registration and enforcement activity, current staffing levels of the Office of Short-Term Residential Rental Administration and Enforcement, and any need for additional resources of policies to adequately enforce the law; and requesting the Office of Short-Term Residential Rental Administration and Enforcement to report.

If you have any 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.

President, District 5 BOARD of SUPERVISORS



City Hall

1 Dr. Carlton B. Goodlett Place, Room 244
San Francisco 94102-4689
Tel. No. 554-7630
Fax No. 554-7634
TDD/TTY No. 544-5227

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PRESIDENTIAL ACTION Date: 10/28/2016 Angela Calvillo, Clerk of the Board of Supervisors To: Madam Clerk, Pursuant to Board Rules, I am hereby: Waiving 30-Day Rule (Board Rule No. 3.23) File No. (Primary Sponsor) Title. Transferring (Board Rule No 3.3) File No. 151245 Wiener (Primary Sponsor) Title. Hearing on short-term residential rentals registration and enforcement activity, current staffing levels of the Office of Short-Term Residential From: Land Use & Transportation Committee To: Government Audit & Oversight Committee Assigning Temporary Committee Appointment (Board Rule No. 3.1) Supervisor _____ Replacing Supervisor Meeting For: (Date) (Committee)

London Breed, President Board of Supervisors Print Form

Introduction Form

By a Member of the Board of Supervisors or the Mayor

I hereby submit the following item for introduction (select only one):	Time stamp or meeting date
1. For reference to Committee. (An Ordinance, Resolution, Motion, or Charter Amendment)	nent)
2. Request for next printed agenda Without Reference to Committee.	
✓ 3. Request for hearing on a subject matter at Committee.	
☐ 4. Request for letter beginning "Supervisor	inquires"
5. City Attorney request.	
☐ 6. Call File No. from Committee.	
7. Budget Analyst request (attach written motion).	
8. Substitute Legislation File No.	
9. Reactivate File No.	
10. Question(s) submitted for Mayoral Appearance before the BOS on	
Please check the appropriate boxes. The proposed legislation should be forwarded to the follow Small Business Commission Youth Commission Ethics Commission	
☐ Planning Commission ☐ Building Inspection Commission	
lote: For the Imperative Agenda (a resolution not on the printed agenda), use a Imperativ	e Form.
ponsor(s):	
Wiener	
Subject:	
Short Term Rentals Enforcement	
The text is listed below or attached:	
Hearing requesting the Office of Short Term Rentals to report on registration and enforcement a staffing levels, and any need for additional resources or policies to adequately enforce the law.	ctivity, current
Signature of Sponsoring Supervisor:	The

For Clerk's Use Only: