



CITY OF SANTA MONICA

HOME-SHARING ORDINANCE RULES

Effective: June 12, 2015

SCOPE AND INTENT

These rules and regulations ("Rules") established pursuant to Santa Monica Municipal Code Section 6.20 shall be followed by hosts and hosting platforms as applicable. All staff responsible for the administration and/or enforcement of the Home-Sharing Ordinance must implement and enforce the program in keeping with these rules. These Rules are not intended to be duplicative.

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I) DEFINITIONS

- a) CITY means the City of Santa Monica.
- b) SMMC means the Santa Monica Municipal Code.
- c) ACCESSORY STRUCTURE means living quarters, including lawfully permitted second units as defined by the Zoning Ordinance on the same premises as a single family residence. Rent Control Bootleg Units as defined in section 9.27.090 of the SMMC are not considered Accessory Structures for the purpose of the Home Sharing Ordinance.
- d) DWELLING UNIT means one or more rooms designed, occupied or intended for occupancy as separate living quarters. A dwelling unit includes a single-family residence, an apartment or other leased premises, or residential condominium unit. A dwelling unit shall include a detached Accessory Structure (e.g. guest house) that is intended for human habitation (i.e. living quarters) when the entire property is designated for a single family residential use. Dwelling unit does not include individual hotel/motel guest rooms, condominium timeshare units, cabins, or similar guest accommodations rented to transient guests in a hotel, inn, or similar transient lodging establishment operated by an innkeeper.
- e) GUEST or VISITOR means a person who rents a home-share and/or vacation rental
- f) HOME-SHARE means an activity whereby the resident(s) host visitors in their homes, for compensation, for periods of 30 consecutive days or less, while at least one of the dwelling unit's primary residents lives on-site, in the dwelling unit, throughout the visitors' stay.
- g) HOST means a person engaged in providing a home-sharing and/or vacation rental.
- h) HOSTING PLATFORM means a marketplace in whatever form or format which facilitates the Home-Sharing or Vacation Rental, through advertising, match-making or any other means, using any medium of facilitation, and from which the operator of the hosting platform derives revenues, including booking fees or advertising revenues, from providing or maintaining the marketplace.
- i) HOUSE SWAPPING means the exchange of a house by one owner with another owner in a different city for short periods of time by agreement between both parties to exchange homes for a specified period of time without compensation.

- j) LIVES ON SITE means being present in the dwelling unit where the home-sharing is being offered, which includes but is not limited to sleeping overnight, preparing and eating meals, entertaining, and engaging in other activities in the dwelling unit that are typically enjoyed by a person in their home.
- k) SHORT-TERM RENTAL means any rental of any living accommodation that is 30 consecutive days or less, including hotels, motels, bed and breakfasts, home-sharing and vacation rentals.
- l) RESIDENT means primary resident of a dwelling unit, when a person occupies a dwelling, typically a house or an apartment, that serves as their primary residence, though they may share the residence with other people. A person may only have one primary residence. A primary residence is considered to be a legal residence for the purpose of income tax and/or acquiring a mortgage.
- m) TRANSIENT OCCUPANCY TAX means local transient tax as set forth in Chapter 6.68 of the SMMC. The tax is paid by the guest when paying for their rental. The collected TOT is then remitted to the City.
- n) VACATION RENTAL means a rental of any dwelling unit, in whole or in part, within the City of Santa Monica, to any person(s) for exclusive transient use of 30 consecutive days or less, whereby the unit is only approved for permanent residential occupancy and not approved for transient occupancy or Home-Sharing as authorized by Chapter 6.20 of the SMMC.

II) HOME-SHARING HOSTS REQUIREMENTS AND BUSINESS LICENSE CONDITIONS

A host must comply with the following conditions:

- a) A Home-Share may only be offered in a space intended for human habitation. For example, a host may not rent a space in an Accessory Structure that is a storage shed or garage as a Home-Share.
- b) A host may not advertise their home-sharing business in any area that is exterior to the dwelling unit where the home-sharing is occurring. This includes common interior areas.
- c) A host must clearly advertise the unit as a shared space. The unit may not be advertised as an “entire home” or “entire unit.” This applies even in cases in which the home-sharing takes place in a guest house.
- d) In any advertisement of the Home-Share a host must include the Business License number issued by the City.

- e) A host must provide guests with information related to emergency exit routes if the unit is part of a multifamily building of more than one story.
- f) Transient Occupancy Taxes (TOT) shall be collected on all Home-Sharing rentals. If a Hosting Platform does not collect payment for the rental, hosts are solely responsible for the collection of all applicable TOT and remittance of the collected tax to the City on a monthly basis. If a Hosting Platform does collect payment for rentals, then it and the host shall both have legal responsibility for the collection and remittance of the TOT.
- g) A Home-Sharing applicant must provide the following as part of his/her application:
 - 1) Address where the Home-Sharing will take place.
 - 2) Type of dwelling unit (e.g. single family home, apartment, condominium).
 - 3) Whether the applicant is a tenant or owner of the dwelling unit.
 - 4) The total number of full time occupants of the dwelling unit.
 - 5) A list of all persons that will be hosting.
 - 6) Contact information for each person that will be hosting (e.g. email, cell phone).
 - 7) A list of each bedroom, office, den, living room, etc., in the dwelling unit. The list shall include for each room:
 - i Whether or not the room will be rented
 - ii The maximum number of overnight guests that will be allowed
 - 8) Whether or not the unit is rent controlled.
 - 9) A link to the advertisement of the rental.
 - 10) An affidavit certifying that the host will comply with all of the provisions of the Home-Sharing Ordinance, Business License Conditions for operating a Home-Share as outlined in these rules, and all relevant laws or be subject to revocation of their Business License.

III) HOME-SHARING HOSTS APPLICATION PROCEDURES

Any person who intends on operating a Home-Share from their primary residence shall complete the Home-Sharing Registration Package (HSRP). The HSRP shall include all instructions, check-lists, applications, and other educational materials related to the Home-Sharing Ordinance and relevant local laws that the host is

required to comply with. Home-Share applications are exempt from the Zoning Conformance Review fee and Home Occupancy Permitting requirements.

The applicant must submit all of the following to the Business License unit to register:

- a) Business License Home-Sharing Application.
- b) Proof of Residency. Acceptable forms of proof include: copy of a current utility bill, cable bill, phone bill, credit card bill or bank statement showing your name and current Santa Monica residential address. Leases, rental agreements, or IDs may not be accepted as proof.

IV) HOSTING PLATFORM REQUIREMENTS

- a) The operator of a hosting platform shall report quarterly to the City, in an electronic comma-delimited format or similar format such as MS Excel, the following information:
 - 1) The address of each residential unit that was offered on the operator's hosting platform for occupancy for tourist or transient use and was occupied for that use during that quarterly reporting period.
 - 2) The total number of nights that the residential unit was occupied for tourist or transient use.
 - 3) The amounts paid for the occupancy of that residential unit listed.
 - 4) The name(s) of the person(s) responsible for each unit listed.
- b) If the Hosting Platform collects payment for the rental, the hosting platform and the host shall both have legal responsibility for the collection of all applicable TOT and remittance of the collected tax to the City on a monthly basis.
- c) A Hosting Platform must provide its Santa Monica host clients or potential host clients the following disclosure:

"On May 12, 2015, the Santa Monica City Council adopted the Home-Sharing Ordinance reiterating its ban on the rental of entire units as vacation rentals. The Home-Sharing Ordinance also legalized the short term rental of a portion of a person's home when the host lives on-site throughout the visitor's stay and when the host obtains a business license. Hosts are also required to

collect and remit Transient Occupancy Tax (TOT) if not collected and remitted by the hosting platform.”

Santa Monica, Calif., Wrestles with Airbnb Regulations

City officials are considering a measure that would ban most of the vacation rentals listed on Airbnb and websites like it, and set up strict new restrictions for those who want to rent out space.

BY TIM LOGAN, LOS ANGELES TIMES / APRIL 28, 2015



Santa Monica, Calif.

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(TNS) -- As cities across Southern California struggle with how best to regulate the booming short-term rental industry, Santa Monica is poised to take the hardest line yet.

Officials in the beachfront city are considering a measure that would ban most of the vacation rentals listed on Airbnb and websites like it, and set up strict new regulations for those who want to rent out space in their homes.

The use of short-term rentals has exploded in recent years, especially in tourist-friendly spots such as Santa Monica, in large part from the growth of websites such as Airbnb, which allows people to rent space in their homes, or an entire house, to visitors.

Although advocates say the sites help hosts earn extra cash and provide travelers and tourists with an alternative to traditional hotels, critics say many Airbnb units are operated like full-time hotels, and complaints have grown about noise, strangers and even their effect on rents.

In most of Santa Monica, rentals of less than 30 days have long been technically illegal, said Salvador Valles, the city's acting chief administrative officer for Planning and Community Development. But enforcement is sparse and city regulations have struggled to keep pace with the changing technology.

"We've been concerned for some time, and we know enforcement is difficult," Valles said. "The council seems to think it's time to hit the brakes."

Santa Monica is not the only local city wrestling with the issue. This year, West Hollywood reaffirmed its ban on short-term rentals. Malibu last month reached an agreement with Airbnb to collect taxes on rentals there. Los Angeles city officials have been studying short-term rental regulations for months, though no specific proposals have yet been made. San Francisco and Portland, Ore., among other large cities, have also enacted new rules, to mixed effects.

In Santa Monica, council members two weeks ago asked city staff to propose new regulations. Those will be debated Tuesday evening and could get a final vote as soon as next month.

The proposal would explicitly prohibit vacation rentals where the primary occupant of a home or apartment is not present; that covers about 1,400 of the 1,700 units in the city currently advertised on major short-term rental websites, Valles said.

It would allow so-called home-sharing, in which the host stays in the house and rents out a spare bedroom, couch space or other quarters, but only if the occupant filed for a city business license and pays Santa Monica's 14 percent hotel tax. And it would require rental sites such as Airbnb and VRBO to report to the city who is hosting, where and how much they charge.

"We've come up with a strategy that we think will help us to address the issues more directly," Valles said.

Santa Monica's move comes in the wake of a report issued last month by labor-backed research group Los Angeles Alliance for a New Economy, which suggested that thousands of apartments are being taken off the normal rental market across the Southland and instead being rented to tourists a few nights at a time. That, the group said, is exacerbating a housing shortage that's especially acute in high-demand, tourist-friendly areas such as Santa Monica.

The city has already seen rents soar in recent years, in part from an influx of well-paid tech industry workers. Losing more units — some of which are covered by rent control — risks making Santa Monica an even harder place to afford, said Denny Zane, co-chair of Santa Monicans for Renters' Rights.

"We welcome visitors, but we shouldn't be losing our rental housing to them," he said. "This is the latest in a series of threats to our existing rental market. We think local government has to take it very seriously."

Airbnb had no Santa Monica-specific data but has released figures in the past suggesting that the number of units listed full-time on the site in Southern California is quite small. And, it notes, many hosts rent out a spare bedroom or other space in their home to help pay the rent and stay in expensive markets like Santa Monica.

The company had little comment on the proposed rules, but a spokeswoman said Airbnb would notify its local hosts about Tuesday's council meeting and said it expected some hosts to turn up to comment.

Meanwhile, the company, which emphasizes home-sharing in its marketing, has taken some steps lately to push back against operators of multiple vacation rentals, booting several big Los Angeles-area vacation rental firms from its site last month.

But spokeswoman Alison Schumer said Airbnb is strongly opposed to a part of the measure that would require short-term rental websites to submit to the city data on hosts, stays and pricing. The company is fighting similar statewide legislation in Sacramento and has pushed back against similar proposals elsewhere, citing the privacy of hosts.

“We are deeply concerned about proposals that fundamentally alter the online privacy protections Santa Monica residents have come to expect,” Schumer said. “Santa Monica should adopt clear, fair rules that enable residents to share their homes and we look forward to working with lawmakers in Santa Monica.”

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