

## **Short-Term Rentals**

- What: Anaheim's updated policy on short-term rentals, or STRs, operating in the city
- Adopted: June 19, 2019, effective July 19, 2019
- Change: reverses August 2016 ban and phase-out of STRs, allowing majority of permitted STRs to continue operating in Anaheim
- Short-term rentals permitted in Anaheim
  June 2019
- Why: ends drawn-out process between city and STR owners over hardship applications and recouping of STR investment costs
- STRs in Anaheim: 277, as of June 2019

Single-family homes: 198

o Condominiums: 79

#### Key provisions:

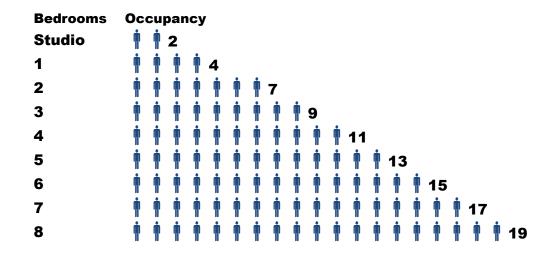
- Allows 235 permitted STRs to continue operating in Anaheim
- STRs must comply with good neighbor rules or risk losing permits
- STRs in communities where homeowner associations have banned them are required to close by December 2022
- Permitted STRs closing under homeowner association bans could seek to relocate elsewhere in the city
- Prohibits opening of new STRs (other than relocations as noted above)
- 42 STRs that opted to shut down by August 2019 will still be required to do so, leaving 235 permitted STRs in Anaheim
- Permitted STRs that keep operating will continue to pay city transient occupancy tax

#### STR rules:

- STR owners and operators must have a local contact who can respond around the clock, within 45 minutes, to reported violations and complaints
- STR owners and operators must supply contact information to neighbors
- Guests renting an STR in Anaheim must be 21 or older
- Guests must adhere to quiet time from 10 p.m. to 9 a.m.

### **Short-Term Rentals**

 Occupancy: The number of short-term rental guests is limited by the number of rooms at a property



- Violation citations: can be issued to owners, operators and guests without warning
- Violations types: major and minor
  - o Two major violations within 12 months are grounds to revoke a permit
  - o 10 minor violations within 12 months are grounds to revoke a permit
  - o Owners, operators and renters all subject to fines

## **Short-Term Rentals**

#### Fines:

Major

revenue

Owner/ Operator	First offense	Second offense within 12 months	Third offense within 12 months
Minor	\$200	\$400	\$1,000
Major	\$1,000	\$1,500	\$2,500
Guest	Each offense		
Minor	\$200		

 Tax: Short-term rentals pay Anaheim's transient occupancy tax, equal to 15 percent of their gross rental

\$500

 Annual STR transient-occupancy tax: \$4 million, out of Anaheim's nearly \$163 million in yearly transientoccupancy tax revenue

## Code Enforcement Numbers

Code Violations 977

Cases Opened 882

Citations Issued 285

Cease and Desist Letters 180

Utilities shut off

Revoked Permits
1

August 2016 through May 2019



# **STR Policy Timeline**

- February 2013: City Council requests a review to address STR policies for residents and owners
- December 2013: A City Council workshop is held on a program framework to ensure compatibility between neighborhoods and STRs, with input from residents and the Anaheim Rental Alliance
- May 13, 2014: City Council adopts first STR ordinance requiring owners to register, obtain a permit
- Aug. 4, 2015: The City Council hears resident comments on STRs
- Sept. 15, 2015: The City Council adopts a 45-day moratorium on new STR permits
- Feb. 23, 2016: The City Council holds a workshop to hear recommendations to address immediate and long-term concerns about STRs and receive input from the community and owners
- June 29, 2016: The City Council holds a special meeting and votes 5-0 to impose tighter regulations and votes 3-2 to ban and phase out STRs over 18 months
- July 12, 2016: The City Council by second reading formally adopts:
  - o Tighter regulations on existing STRs and a ban on new ones
  - $\circ$  An 18-month phase out period for existing STRs
- **July 13 to Aug. 12, 2016:** Public invited to submit comments on a home sharing pilot program
- Aug. 11, 2016: New ordinances take effect banning new STRs and imposing 18-month phase-out of existing ones

# **STR Policy Timeline**

- **Nov. 1, 2016:** City Council hears a conceptual review of a home sharing pilot program with potential policy consideration at a later date
- Nov. 9, 2016: Hardship applications available
- Jan. 10, 2017:
  - Adoption of 45-day extension for filing of hardship applications to allow applicants more time to meet city documentation requirements
  - Clarification of Code Enforcement property access rules; replaced immediate, unannounced investigatory access with requirement that owners or representatives respond within 45 minutes of a Code Enforcement inquiry
- April 25, 2017: City Council votes 4-3 to settle owners litigation and adopt hardship changes and minor regulatory updates
- June 2017: Hardship applications due
- September 2017: Extended hardship application deadline
- Feb. 11, 2018: Last day to legally operate an STR in Anaheim unless a hardship extension is granted
- June 5, 2019: first Council vote updating STR policy, allowing majority of STRs to continue operating
- June 19, 2019: final Council vote updating STR policy, allowing majority of STRs to continue operating
- July 19, 2019: updated STR policy takes effect