



**FOR IMMEDIATE RELEASE:**

Monday, October 27, 2014

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**\*\*\* PRESS RELEASE \*\*\***

**MAYOR LEE SIGNS LEGISLATION TO REGULATE SHORT-TERM  
RESIDENTIAL RENTALS IN SAN FRANCISCO**

*City's New Homesharing Ordinance is Landmark Regulation for Emerging Sharing Economy; Will Help San Francisco Residents Make Ends Meet While Protecting Limited Housing Stock, Requiring Hotel Tax Payment*

**San Francisco, CA**—Mayor Edwin M. Lee today signed the Board of Supervisors-approved Short-Term Residential Rentals Ordinance to provide City's regulation on sharable housing. Board of Supervisors President David Chiu was the chief sponsor of this short-term residential rental legislation that creates procedures for users of sharing economy companies such as Airbnb, including a registry administered by the Planning Department for tracking short-term residential rentals, and establishes an application fee for the registry.

"As the birthplace of the emerging, more sustainable sharing economy, San Francisco must be at the forefront of nurturing and regulating its growth by modernizing our laws and confronting emerging policy issues and concerns. Today I am proud to sign this landmark piece of legislation, developed over two years by Board President David Chiu working with diverse stakeholders, that regulates homesharing," said Mayor Lee. "Now, San Franciscans who just want to share their home with occasional visitors will have a clear set of rules and restrictions to earn extra money to make ends meet and enjoy a better quality of life in our City for themselves and their families. With this balanced, responsible ordinance in place, San Francisco residents can share their homes and we can enforce against bad actors to protect the public and collect taxes on this new activity, which will bring millions of dollars in new revenue to the City for affordable housing and other services."

"I appreciate Mayor Lee's support of this reasonable regulatory approach to short-term rentals. We know the status quo is simply not working," said Board President Chiu. "I'm proud to have taken on this tough policy challenge. We delivered a balanced solution that protects our housing from hotel conversion while allowing some flexibility for residents to help them afford to stay in their homes."

Board President Chiu introduced the legislation to regulate short-term rentals. The legislation reinforces the prohibition against the conversion of residential housing into full-time de-facto hotels. It would only allow primary residents that live in their apartment to rent short-term on a limited basis to help supplement their housing costs. Resident must live in the unit as their primary residence for no less than three-quarters of the year. Secondary or vacation homes that do not have permanent residents occupying them would not be granted permission, so that the residential housing stock is protected in the midst of the current affordability crisis.

The legislation requires primary residents seeking permission to rent short-term to apply for permission with the Planning Department. The resident must demonstrate that they live in the unit for the majority of the year and carry liability insurance. To maintain their permission for the next two years, the resident must pay transient occupancy taxes, report the duration of short-term stays annually, and abide by all city laws including rent

control laws. The Planning Department will be in charge of enforcement of any violations, including imposing stronger administrative penalties on multiple violations.

The legislation also regulates hosting platforms for the first time by requiring that they notify their users of the City's short-term rental laws as well as collect and remit transient occupancy taxes.

The sharing economy, also known as “collaborative consumption,” uses technology and social media to promote the sharing and re-use of underutilized assets such as cars, bikes, tools, rooms, spaces, skills and other goods. The growth of the sharing economy has been driven by the success of innovative companies and organizations like City CarShare, ZipCar, RelayRides, Airbnb, Getaround, Taskrabbit, Shareable, Vayable and more, many headquartered in San Francisco and creating a growing number of local jobs and local economic benefits.

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