

President, Board of Supervisors  
District 3



City and County of San Francisco

**DAVID CHIU**  
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市參事會主席

## **Short-Term Rental Regulation Summary**

Supervisor David Chiu introduced 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. 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.

### **CORE COMPONENTS OF LEGISLATION**

#### **Primary Residency**

Resident must live in the unit as their primary residence for no less than three-quarters of the year.

#### **Registration**

Resident must apply for permission every two years by providing documentation to demonstrate that they meet primary residency, insurance, and tax requirements. Resident must maintain good standing by complying with all city laws, including rent control laws, or their permission would be revoked and the unit would be placed on a blacklist.

#### **Taxes**

Resident must pay transient occupancy taxes on short-term rental activity, and hosting platforms must collect and remit those taxes, or be subject to enforcement by the Treasurer's Office.

#### **Insurance**

Resident must maintain liability insurance or be covered by hosting platform insurance policy.

#### **Private Contracts**

Resident must adhere to the terms of their private contracts. Application does not interfere with leases, homeowner association agreements, and covenants, conditions or restrictions on the property.

#### **Enforcement**

Residents that fail to register, violate the terms of their permission, or don't maintain good standing are in violation. Hosting platforms that fail to notify their users of short-term rental laws and collect and remit taxes are in violation. Complaints alleging violations of the law would be investigated and deliberated through an administrative hearing. Violations are subject to administrative and civil penalties.

## AMENDMENTS TO THE LEGISLATION

Following hearings at the Planning Commission and Land Use Committee and deliberation by the Board of Supervisors, Supervisor Chiu and his colleagues amended the legislation to strengthen enforcement, protect affordable housing, maintain quality of life in neighborhoods, and ensure building safety.

### Strengthening Enforcement

**Enforcement Agency** - Consolidate enforcement function from two agencies into one with the Planning Department. Planning would administer registration, investigate violations, and report annually to the Board of Supervisors. (*Planning Commission recommendation, Chiu amendment*)

**Registration Number** - Require Planning Department to issue registration number to accompany approvals, and require resident to include registration number with all short-term rental postings. (*Planning Commission recommendation, Chiu amendment*)

**Annual Self-Reporting** - Require resident to report number of days of short-term activity annually to maintain good standing on registry. (*Planning Commission recommendation, Chiu amendment*)

**Multiple Violations** - Raise administrative penalties for repeat violations, so that fines are doubled for second offenses and tripled for third and multiple offenses. Violations that are not corrected would have permission revoked. (*Chiu amendment*)

**Online Advertisements** - Deem posting online advertisements without registering for permission as violation subject to administrative and civil penalties. (*Planning Commission recommendation, Chiu amendment*)

**Interested Party** - Include homeowner association and property owner in definition of interested party allowed to file lawsuit after violation is rendered through an administrative hearing. (*Kim, Farrell amendments*)

**Funding** - Require annual evaluation of application fee to assess administration and enforcement costs, and include Planning Commission hearing in evaluation. Direct all administrative and civil penalties back to Planning to fund enforcement. (*Planning Commission recommendation, Chiu amendment*)

### Protecting Affordable Housing

**Affordable Housing Exclusion** - Exclude single room occupancy hotels, below market rate units, and any subsidized housing with restrictions on subletting and

short-term renting from short-term renting. (*Planning Commission recommendation; Chiu/Kim amendment*)

**Single-Family Homes** - Include single-family homes in regulation by requiring registration for permission and compliance with residency and all other good standing requirements. (*Planning Commission recommendation, Chiu amendment*)

**Principal Residence** - Define principal residence as one residential unit that is associated with one permanent resident. Registration is allowed for only one permanent resident per unit. (*Chiu amendment*)

### Maintaining Quality of Life

**Code Compliance** - Require compliance with Police, Health and Public Works Codes for approval and good standing. Permission is revoked if any outstanding noise, dumping, and other quality of life violations. (*Planning Commission recommendation, Chiu amendment*)

### Ensuring Building Safety

**Liability Insurance** - Increase coverage requirement to \$500,000 and require coverage to indemnify tenant and owner for bodily harm and property damage. (*Planning Commission recommendation, Wiener/Farrell amendment*)

**Property Owner Notification** - Require Planning to notify property owner and homeowner association if tenant or homeowner has completed an application to rent short-term. (*Wiener/Farrell amendments*)

**Code Compliance** - Resident must be in compliance with Building and Fire Codes to be granted permission and maintain good standing. Permission is revoked if any outstanding building, electrical, plumbing, mechanical, fire, health, housing, or planning code violations, including notices of violation, notices to cure, orders of abatement, cease and desist orders, or other correction notice. (*Planning Commission recommendation, Chiu amendment*)

**Fire Safety Posting** - Resident must post fire safety information in their unit like location of fire extinguisher, alarm and exits. (*Cohen amendment*)