



Sunnyvale

Short-term Rental Ordinance & Enforcement

City Council
September 14, 2021



Short-term Rentals

Home rentals less than 31 consecutive days



Short-term Rentals

Background

Sunnyvale Short-term Rental (STR) Ordinance

- STR Ordinance established in 2015
 - ◆ Requirements for CDD Director's Approval
 - STR registration
 - Approval from property owner/HOA
 - TOT remittance
 - Business license, if applicable
 - ◆ STR Limits
 - No un-hosted stays
 - Guest limit of four (4) adults per night
 - Compliance with laws, including health, safety, building codes

Voluntary Collection Agreement (VCA)

- Entered into a VCA with Airbnb in 2018
- Before the agreement:
 - ◆ 28 registered STRs
 - ◆ 21 STRs actively remitting (\$48,000 in annual TOT)
 - ◆ Estimated 900 STR ads, mostly on Airbnb



Voluntary Collection Agreement

- ◆ Airbnb automatically collects and remits TOT
- ◆ **But**
 - Airbnb does ***not*** provide personal information about hosts
 - Airbnb is ***not*** required to enforce other terms of City's STR ordinance

Hosts Informed of Local Laws



Help Center



Search help articles

About Airbnb

Your account

Safety

Terms and policies

Sunnyvale, CA

When deciding whether to become an Airbnb Host, it's important for you to understand the laws in your city. As a platform and marketplace we do not provide legal advice, but we want to provide some useful links that may help you better understand laws and regulations in Sunnyvale, CA. The information in this article isn't exhaustive, but it should give you a good start in understanding your local laws. We'll continue to update this information as more becomes available. If you have questions, you can visit the [Sunnyvale Short Term Rental Information Page](#), contact the City's Community Development Department, or consult a local lawyer or tax professional. You can read the [final ordinance here](#).

Short-term rental regulations

Hosts in Sunnyvale are required to obtain a permit to host short-term stays (30 consecutive calendar days or less). A few listing types are exempt from registering

<https://www.airbnb.com/help/article/3085/sunnyvale-ca>

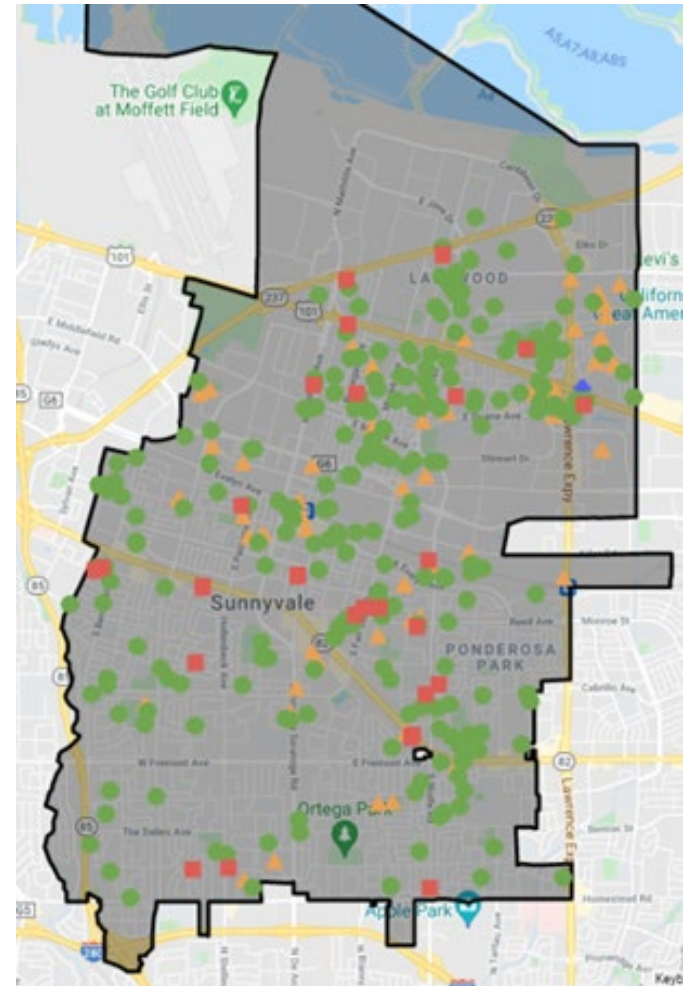


Short-term Rentals

Current Landscape

STRs in Sunnyvale

- Nearly 270 estimated active STR units
 - ◆ 87% of ads on Airbnb
 - ◆ 60% of ads un-hosted
- 78 registered STR units
- \$1.7 million TOT collected from STRs since FY 2016
- 95 complaints since 2016
- 10 citations issued since 2016



STR Complaints & Enforcement by Calendar Year

Calendar Year	Registered STR units	NP Complaints	NP Citations
2016	19	11	2
2017	28	19	3
2018	46	21	1
2019	66	29	2
2020	77	11	2
2021	78	4	-

STR Revenue by Fiscal Year

Fiscal Year	TOT Revenue from STRs	TOT Collected by Airbnb
2015-16	\$8,234	0%
2016-17	\$26,582	0%
2017-18	\$47,688	0%
2018-19	\$695,457	98%
2019-20	\$585,820	99%
2020-21	\$310,263	99%

Short-term Rentals

Compliance Monitoring and Enforcement

Compliance Monitoring

- STR Monitoring Contract with Host Compliance in 2017
- Host Compliance monitors listings to:
 1. Identify unregistered listings
 2. Identify non-compliant listings



Voluntary Compliance Efforts

Voluntary Compliance and Education

- **Registration Lead: CDD**
 - ◆ Reviews and approves applications
- **Compliance Lead: Finance in coordination with CDD**
 - ◆ Notification letters sent to owners with non-Airbnb listings in 2019
 - ◆ Finance staff fielded calls and questions from STR hosts
 - ◆ Notifications to owners of non-registered Airbnb listings are being sent out now

Complaint-Based Enforcement of STRs

Complaint-Based Investigations

- **Lead:** DPS – Neighborhood Preservation
 - ◆ Verification process difficult
 - ◆ Voluntary compliance is high after contact from Neighborhood Preservation
 - ◆ Penalties are relatively small compared to STR income
 - ◆ Revocation due process procedures can be lengthy

Short-term Rentals

Options for Amending Ordinance
& Strengthening Compliance

Ordinance Comparison Review

STR Regulation	City
Regulate STRs	Cupertino, Los Altos Hills, Los Gatos, Milpitas, Mountain View, Orinda, San Francisco, San Jose, Santa Cruz
No STR Regulation	Santa Clara*, Morgan Hill
Prohibit STRs	Campbell, Fremont*, Saratoga, Los Altos
*Under review	

Regulatory Options

- Additional Host Requirements
 - ◆ Proof of primary residence
 - ◆ Proof of liability insurance or indemnity/hold harmless provision
 - ◆ Requirement to include registration number in listing
 - ◆ Guest notification of local regulations
 - ◆ Local contact or physical placard with local contact info

Regulatory Options

- Additional Prohibitions:
 - ◆ May not post a listing without registering with the City
 - ◆ May not advertise or allow bookings for un-hosted stays for less than 31 days
 - ◆ Prohibiting parties and party homes
 - ◆ Prohibiting one-night stays

Regulatory Options

- Add Requirements for Hosting Platforms
 - ◆ Must require registration number in listing
 - ◆ Must stop transactions and remove listings when notified by the City of violations

Regulatory Options

- Strengthen penalties and revocation
 - ◆ Add specific penalties for violations

Proposed state legislation would allow enhanced penalties for health and safety violations (SB 60)

- ◆ \$1,500 first infraction
- ◆ \$3,000 second infraction
- ◆ \$5,000 third infraction

Operational Enhancements

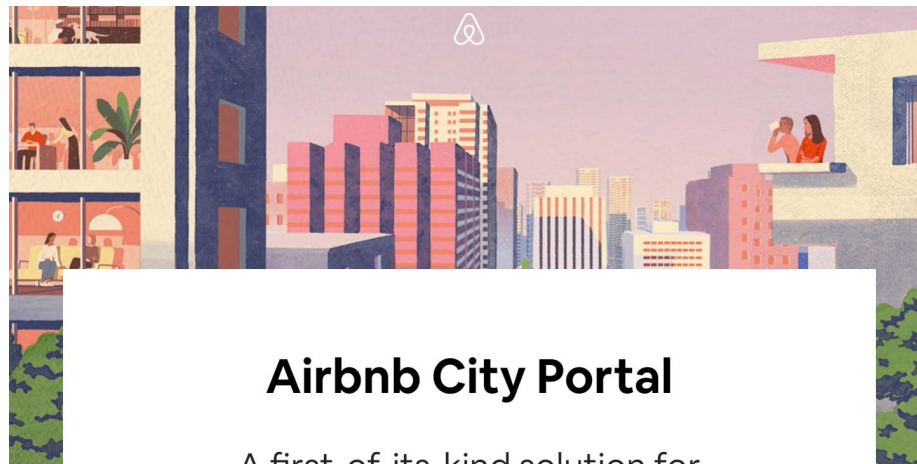
- Proactively enforce STR ordinance
 - ◆ Investigate approximately 200 unregistered STR units
 - ◆ Seek voluntary compliance
 - ◆ Issue citations for non-compliance
 - ◆ Work with Airbnb and other platforms to de-list non-compliant STR units

Tradeoff: requires reallocation of budgetary resources

- Increase in staffing costs coupled with a reduction in TOT revenue

Operational Improvements – Better Coordination

- Airbnb “City Portal” pilot gives cities:
 - ◆ More access to information on local STRs
 - ◆ Ability to stop transactions of non-compliant listings within 7-15 days
 - ◆ Ability to stop non-compliant activity until issues are resolved

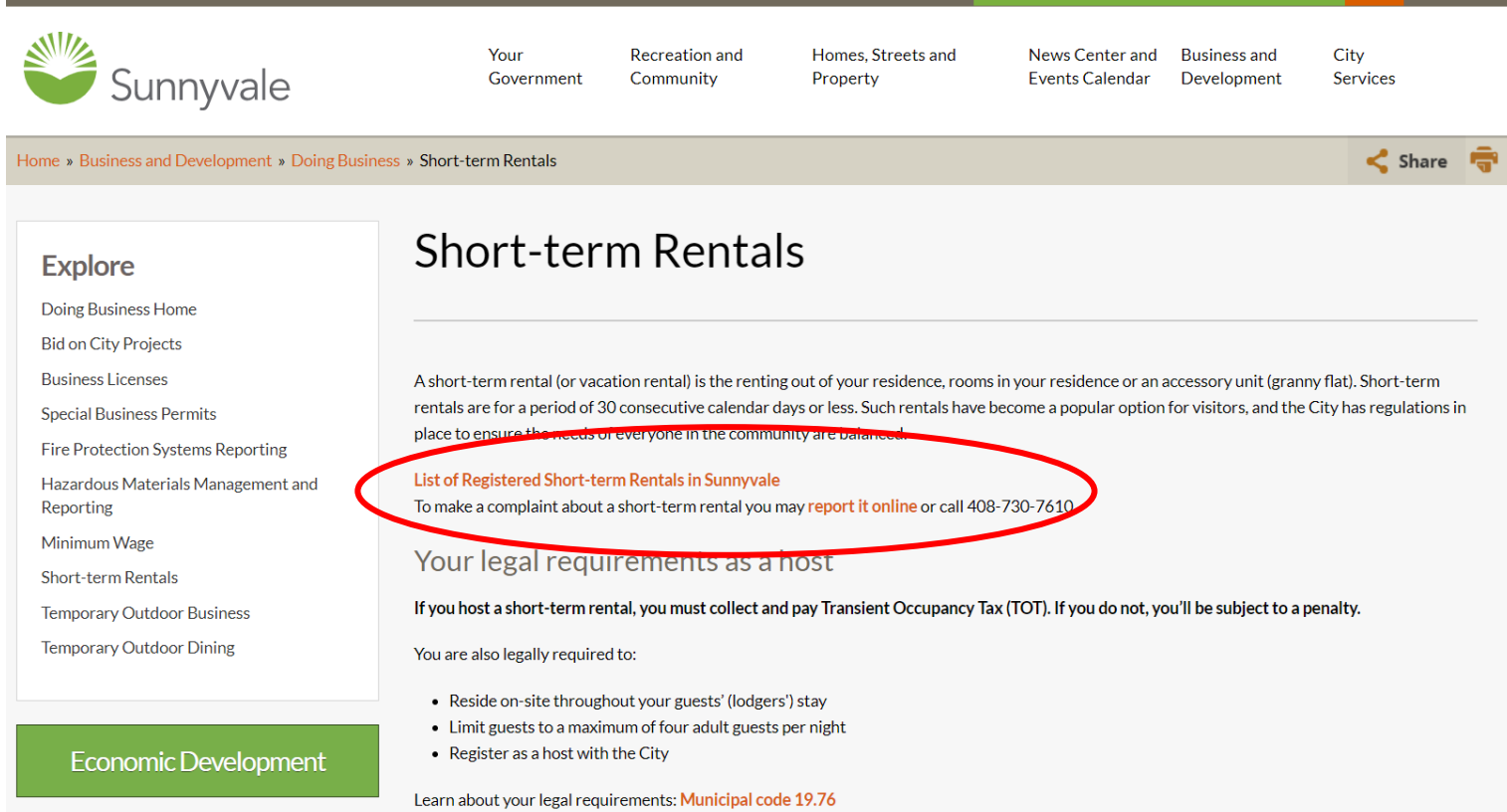


Airbnb City Portal

A first-of-its-kind solution for communities partnering with Airbnb

Operational Improvements - Transparency

- Addresses of registered STRs are now published on STR webpage
 - ◆ [Sunnyvale.ca.gov](https://www.sunnyvale.ca.gov), search: short-term rental



Sunnyvale

Your Government Recreation and Community Homes, Streets and Property News Center and Events Calendar Business and Development City Services

Home » Business and Development » Doing Business » Short-term Rentals

Explore

- Doing Business Home
- Bid on City Projects
- Business Licenses
- Special Business Permits
- Fire Protection Systems Reporting
- Hazardous Materials Management and Reporting
- Minimum Wage
- Short-term Rentals
- Temporary Outdoor Business
- Temporary Outdoor Dining

Economic Development

Short-term Rentals

A short-term rental (or vacation rental) is the renting out of your residence, rooms in your residence or an accessory unit (granny flat). Short-term rentals are for a period of 30 consecutive calendar days or less. Such rentals have become a popular option for visitors, and the City has regulations in place to ensure the needs of everyone in the community are balanced.

List of Registered Short-term Rentals in Sunnyvale

To make a complaint about a short-term rental you may [report it online](#) or call 408-730-7610.

Your legal requirements as a host

If you host a short-term rental, you must collect and pay Transient Occupancy Tax (TOT). If you do not, you'll be subject to a penalty.

You are also legally required to:

- Reside on-site throughout your guests' (lodgers') stay
- Limit guests to a maximum of four adult guests per night
- Register as a host with the City

Learn about your legal requirements: [Municipal code 19.76](#)



Sunnyvale

Questions & Staff Direction

Discussion

- What regulatory options would Council like to explore?
- What enhanced enforcement options would the Council like to explore?
- What next steps is Council looking for?
 - ◆ Community outreach
 - ◆ Additional study session
 - ◆ Staff report with recommendations
 - ◆ Draft ordinance