

**Meeting Date:** 3/1/2016

**Report Type:** Consent

**Report ID:** 2016-00212

**Title:** Adopt Fees for Short-Term Vacation Rental Permit

**Location:** Citywide

**Recommendation:** Pass a Resolution approving fees for short-term vacation rental permit.

**Contact:** Brad Wasson, Revenue Manager, (916) 808-5844, Department of Finance

**Presenter:** None

**Department:** Finance

**Division:** Revenue Administration

**Dept ID:** 06001211

**Attachments:**

1-Description/Analysis

2-Resolution

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**City Attorney Review**

Approved as to Form

Joseph Cerullo

2/24/2016 12:14:11 PM

**Approvals/Acknowledgements**

Department Director or Designee: Leyne Milstein - 2/16/2016 3:47:40 PM

## **Description/Analysis**

**Issue Detail:** On January 19, 2016, the City Council passed an ordinance amending the Sacramento City Code by amending various sections of title 17 relating to bed-and-breakfast inns and by adding chapter 5.114 establishing a short-term rental permit (permit). The permit is required for anyone located in a residential zone who rents a house, or part of a house, on a short-term basis (less than 30 days). Fees for the permit were not established at the time the ordinance was adopted to ensure the fee included the recovery of costs incurred during the issuance process.

**Policy Considerations:** The proposed fees are consistent with the City Council's adopted Fees and Charges policy and support the City's goals of budget sustainability and fiscal responsibility.

**Economic Impacts:** None.

**Environmental Considerations:** This action is not a project subject to the California Environmental Quality Act because it involves the establishment, modification, structuring, restructuring, or approval of rates, tolls, fares, or other charges by public agencies which the public agency finds are for the purpose of meeting operating expenses (California Public Resources Code §21080).

**Sustainability:** There is no sustainability consideration applicable to the fees and charges included in this report.

**Commission/Committee Action:** None.

**Rationale for Recommendation:** The approval of fees for this permit will allow residents who wish to rent a home, or part of a home, on a short-term basis to do so within guidelines of the City's ordinance. The proposed fee is based on workload associated with issuing the permit, including intake of the application, notification to property owners, and verification that business tax and transient occupancy tax is remitted.

**Financial Considerations:** Approval of this resolution establishes an appropriate mechanism for the recovery of costs associated with the issuance and administration of the permits. Staff has analyzed the workload involved in the issuance and administration of the permit and is proposing a fee for an annual short-term rental permit of \$125 new and \$90 for a renewal. Also proposed are a short-term rental permit appeal fee of \$140 and a late renewal penalty of \$50.

**Local Business Enterprise (LBE):** Not applicable.

**RESOLUTION NO.**

Adopted by the Sacramento City Council  
March 1, 2016

**ESTABLISHING FEES FOR SHORT-TERM RENTAL PERMITS****BACKGROUND**

- A. On January 19, 2016, the City Council adopted an ordinance establishing permits for short-term rentals (Sacramento City Code chapter 5.114) to allow anyone in a residential zone to rent a house, or part of a house, on a short-term basis (less than 30 days). These permits will be issued by the Revenue Division.
- B. Subsection C of section 5.114.110 in the Sacramento City Code requires that every application for a short-term rental permit be accompanied by an application fee in an amount established by resolution of the City Council.
- C. Staff's analysis of the work required to issue and administer the short-term-rental permits indicates the following:
- Two staff hours (at \$60 an hour) are needed to process an application for a new short-term rental permit, and one-and-a-third staff hours (at \$60 an hour) are needed to process an application to renew a short-term rental permit.
  - On average, twelve minutes of Code Enforcement time (at \$60 an hour) are needed annually for each short-term rental permit.
  - One-and-a-half staff hours (at \$60 an hour) are needed to prepare an appeal, and one half hour of Director's time (at \$100 an hour) is needed to hear an appeal.
  - A late renewal penalty of \$50 is consistent with other late penalties within the City.

**BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE CITY COUNCIL RESOLVES AS FOLLOWS:**

Section 1. The City Council finds and determines that the statements in paragraphs A through C of the Background are true.

Section 2. The City Council establishes the fees and penalties for short-term rental permits as follows:

Application for New Short-Term-Rental Permit	\$125
Application for Renewal of a Short-Term-Rental Permit	\$ 90
Appeal of Action on a Short-Term-Rental Permit	\$140
Penalty for Late Renewal	\$ 50