



TOWN OF FAIRFAX

STAFF REPORT

June 3, 2015

TO: Mayor and Town Council

FROM: Garrett Toy, Town Manager

SUBJECT: Discuss policies regarding short-term/vacation rental of residential units

RECOMMENDATION

Schedule a special Council study session to discuss the Town's policies regarding short-term/vacation rental of residential units.

DISCUSSION

At the May Council meeting, a resident indicated she could not obtain a business license for the short-term rental (e.g., Airbnb) of a room in her house. The Council directed staff to research the issue and report back at this meeting. Staff's initial review is that the Town's zoning code does not allow short term rentals as a principal use in residential zones, but such uses may be allowed with a conditional use permit.

This is very complex issue that many communities are struggling with. Locally, Tiburon and Sausalito have been actively discussing the issue at their Council meetings. A special study session would allow the Council to discuss key policy issues including, but are not limited, to the following:

- Should short-term/vacation rental of residential units be allowed? Is it a problem?
- If allowed, what should be the process to approve such a use (e.g., use permit, amend zoning code)?
- What are the impacts to a neighborhood of allowing such a use?
- What are the benefits to the Town?
- If permitted, should there be a maximum limit allowed in Town at any one time?
- Should only rooms, with the owner living on the premises, or the entire house/unit be allowed to be rented out?
- Would this impact the legalization and use of second units?
- How would staff enforce a prohibition or monitor compliance?
- How will the Town ensure that TOT (i.e., hotel tax) is collected on the rentals and remitted to the Town?
- Should parking be a consideration?

It should be noted that the State legislature is currently considering legislation to regulate the short-term/vacation rental of residential units, which if enacted could potentially answer some of the above questions. Staff would report on the status of the legislation at the special Council workshop.

FISCAL IMPACT

The potential exists to collect additional TOT revenues.