



# Regulation of Short-Term Rentals in Fairfax Discussion

Fairfax Town Council Meeting  
January 19, 2022

# Benefits to creating a program with regulations

- Minimize adverse impacts to housing supply and on households of all income levels
- Minimize impact to households who use the income from a short-term rental to remain in their home
- Create a new revenue source by collecting the transient occupancy tax & STR registrations

Note: Current Zoning Code does not allow Short-Term Rentals, but they exist in the Town - unregulated

## What Do Other Marin Jurisdictions Do?

- San Rafael, Mill Valley, Novato, and the County of Marin have STR programs and use Host Compliance
- San Anselmo allows with a business license, in legal (permitted) structures (has no TOT)
- Ross does not regulate (has no TOT)
- Larkspur, Sausalito, Corte Madera and Tiburon prohibit STRs (CM to consider in 2022)

# Program Aspects to Consider

- Property eligibility/ineligibility
- Occupancy limits
- Registration fees
- Costs and revenues
- Enforcement

# Property Eligibility

- All or a portion of the property is offered by the permanent Resident of the unit
- The unit is the Primary Residence of the Permanent Resident
- The Permanent Resident is a Person (not a business)
- The Permanent Resident has registered the unit and secured a business license
- Off street parking requirements

# Ineligible Properties

- Income-restricted affordable housing
- Student housing
- Commercial/industrial-zoned lots
- Non-residential areas within buildings (e.g., storage)
- RVs, non-motorized travel trailers, vans, cars
- Teepees, yurts, tents, treehouses
- ADUs created after January 1, 2020

# Program Requirements

- Occupancy Limits- the number of guests per unit
- Off Street Parking Requirement- e.g., one for every 4 guests
- Hosted vs. Unhosted Stays- limit the number of unhosted stays
- Registration – require property details, 24/7 local contact, proof of property inspection, interior signage, garbage/recycling/compost instructions, Noise Ordinance, Emergency info (evac., alerts)
- Fee- initial registration fee and annual renewal fee
- TOT collection and Remittance
- Reporting- annual report to Planning Department
- Audit- e.g., San Rafael audits 5% of registrations for compliance

# Enforcement

- Violations & Appeals- use existing enforcement procedures  
Host Compliance offers 24/7 complaint hotline
- Revocation of Registration
  - TOT not collected/remitted, or the amount was inadequate
  - 3 violations over 2-year period
  - Registration misrepresented/omitted information
  - Registration was transferred (or attempted) to another person



# Fiscal Impact

- Based on
  - Number of Existing STRs: **75**
  - Average Nightly Rate: **\$150**
  - Low-end Occupancy: **30 days**
- Annual TOT @10%: **\$33,750** (conservative est.)
- Annual Business License Fees: **\$7500**
- Annual Registration Fees: **\$3750 - \$7500**
- Annual Cost of Host Compliance: **\$13,823**

# Next Steps

- Receive public feedback
- If Council would like to proceed with a STR Program
  - Direct Planning Commission to revise Zoning Code
  - Direct Town Attorney to draft ordinance establishing a program
- The imposition and collection of TOT may need to await results of a municipal election



Questions?