



## RESIDENTIAL SHORT-TERM RENTALS

Community & Economic Development Department

Utility Services/Land Use/Energy  
Development Committee

October 15, 2018

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### ISSUE

Receive an update on “residential short-term rentals” (RSTRs) in the City of Riverside - overview of issues, potential regulations and policies



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## BACKGROUND

1. Community concerns with RSTRs:
  - a. Security/safety
  - b. Stability
  - c. Integrity of neighborhoods
2. Code Enforcement activity August 2017–2018:
  - a. Five (5) RSTR inquiries
  - b. No complaints, only requests for information



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## BACKGROUND

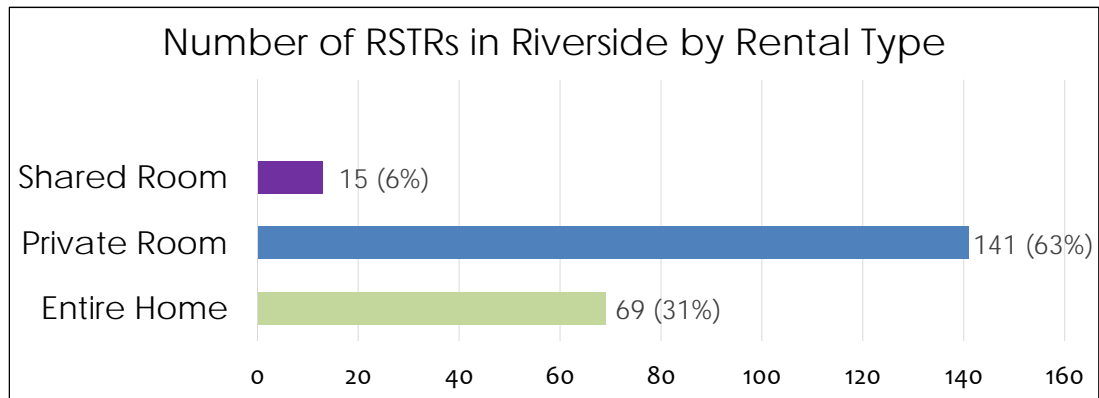
3. Currently no RSTR Regulation in Riverside;
4. Riverside does not collect transient occupancy tax (TOT) from RSTRs:
  - a. City negotiating TOT collection with Airbnb
  - b. Others could follow
5. Number of RSTRs in Riverside - 225 at end of August 2018. (Source AirDNA)



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## BACKGROUND



Source: AirDNA.com



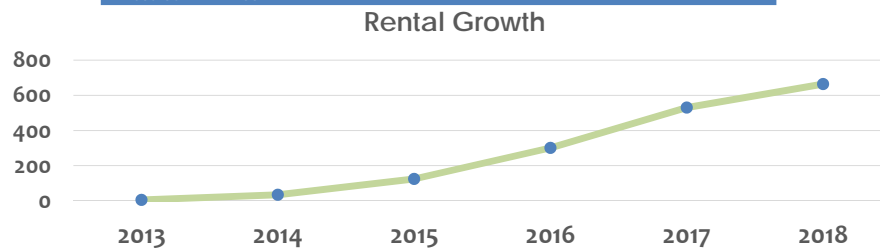
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## BACKGROUND

Growth in Bookings	
Year	Number of Bookings
2013	5
2014	34
2015	124
2016	301
2017	530
2018 (Jan.-July only)	664

Source: AirDNA.com



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## DISCUSSION

### Residential Short-Term Rentals (RSTRs):

1. Are increasingly popular & RSTR market expected to grow'
2. Provide revenue to property owners;
3. Are cost effective and convenient alternative for travelers;
4. Have potential to impact neighborhoods:
  - a. City can regulate RSTRs to address impacts;
  - b. Can meet needs of City, owners, neighbors & travelers.



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## DISCUSSION

### Potential **Desirable** Impacts:

1. Homeowners – Supplemental income; flexibility; and ease of advertising & managing reservations;
2. Renters – Convenience; can be more affordable than hotels; and more amenities (e.g. kitchen and additional bedrooms); and
3. City – Potential revenue (TOT, etc.); supports local economy; and encourages investment.



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## DISCUSSION

### Potential **Unwanted** Impacts:

1. Housing Supply – Takes housing off the market; and impacts housing stock & affordability;
2. Residential Neighborhoods – Large groups; traffic; noise; and neighborhood character & commercialization; and
3. Fiscal/Business – Many cities do not collect TOT from RSTRs; and can impact an established hotel industry.



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## DISCUSSION

### Common Regulations of Ten (10) Jurisdictions:

1. Annual RSTR permit - Filing fees: \$100 to \$250;
2. Business registration;
3. Collection of Transient Occupancy Tax – 10% to 15%;
4. Restricted to specific zones;
5. Require a local contact responsible for responding to complaints; and
6. Revoke permits for repeat code issues and violations.



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## CONCLUSION

1. Currently no significant issues with RSTRs in Riverside;
2. Other cities have had significant issues & challenges;
3. Growth of RSTRs in Riverside presents greater potential for positive and negative impacts; and
4. City should consider the need for RSTR regulation & provide direction on regulations for Riverside.



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## RECOMMENDATION

That the Utility Services/Land Use/Energy Development Committee:

1. Receive and file a report on residential short-term rentals (RSTR) in the City of Riverside including an overview of issues, potential regulations and policies that can be applied; and
2. Provide direction on next steps including a potential regulatory and policy framework for RSTR uses in the City of Riverside.



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