

RESIDENTIAL SHORT-TERM RENTALS

Community & Economic Development
and Finance Departments

City Council
January 7, 2020

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ISSUE

An update on “residential short-term rentals” (RSTRs) and Transit Occupancy Tax for RSTRs and overview of existing and potential regulations and policies.



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BACKGROUND

October 15, 2018 – Land Use Committee

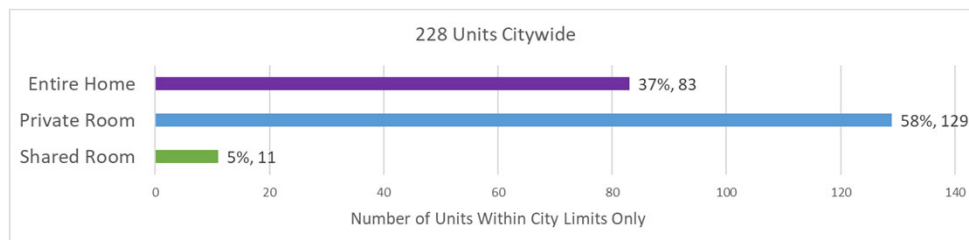
- A. Received a workshop report on RSTRs:
 - 1. Overview of issues;
 - 2. Summary of impacts; and
 - 3. Potential regulations.
- B. Directed staff to:
 - 1. Forward report to City Council;
 - 2. Provide update on number of RSTRs in the City; and
 - 3. Illustrate locations of RSTRs on a map.



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CURRENT NUMBER OF RSTRs



Zip Code Area	Entire Home	Private Room	Shared Room	Total Units
92501	27	13	0	40
92503	8	12	7	27
92504	8	11	0	19
92505	8	18	0	26
92506	13	31	2	46
92507	17	25	2	44
92508	2	19	0	21
Citywide	83	129	11	223

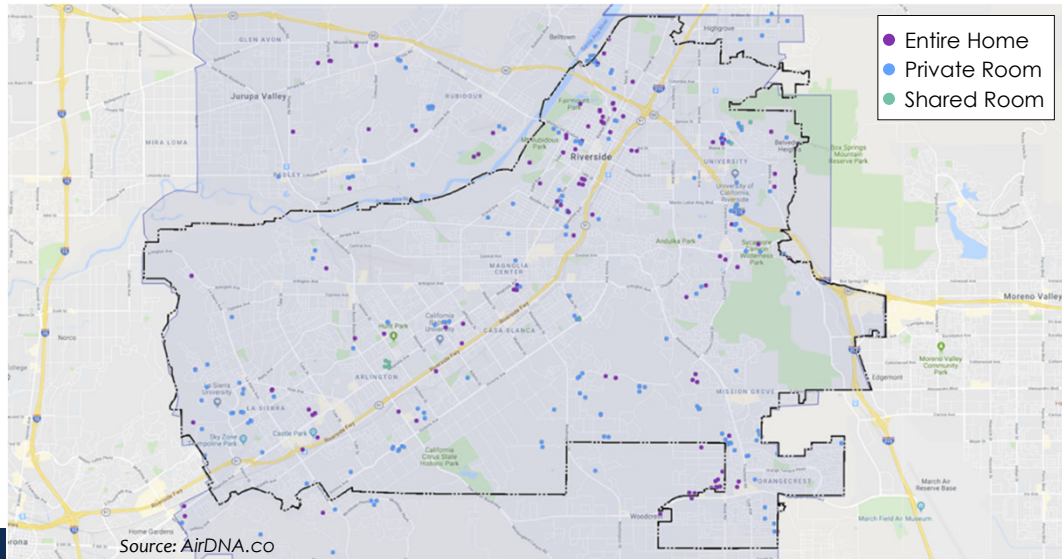
Source: AirDNA.co

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CURRENT RSTR LOCATIONS



Source: AirDNA.co

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DESIRABLE IMPACTS



A. Homeowners

1. Provides supplemental income;
2. Flexibility to adjust unit availability; and
3. Ease of advertising and managing reservations.



B. Renters

1. Convenience;
2. Affordability;
3. Enhanced amenities versus hotels (kitchens, bedrooms/bathrooms); and
4. Provides a different experience to visitors.



C. City

1. Potential revenue through Transit Occupancy Tax (TOT) and Business Tax;
2. Supports local economy; Keeps visitors in the City; and
3. Encourages investment in residential properties (maintenance);



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UNDESIRABLE IMPACTS



A. Housing Supply

1. Takes housing off market; and
2. Impacts housing stock and affordability.



B. Residential Neighborhoods

1. Large groups;
2. Traffic;
3. Noise;
4. Neighborhood character; and
5. Commercializes residential areas.



C. Fiscal/Business

1. Challenges collecting TOT; and
2. Impacts established hotel industry.



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CURRENT REGULATIONS AND POLICIES

A. Transit Occupancy Tax (TOT)

- A. TOT collection from RSTRs authorized in Title 5;
- B. October 16, 2018 – City Council approved a Voluntary Collection Agreement of TOT with Airbnb (Commenced December 1, 2018); and
- C. Approximately \$13,800 per month collected from Airbnb.

- B. Currently Title 19 (Zoning) does not specifically define or regulate RSTRs.



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RECENTLY ADOPTED REGULATIONS

A. Adopted by City Council on October 22, 2019:

1. Title 7 Modifications:

- a) Redefines "Noise disturbance;"
- b) Provides criteria for an officer to use in determining noise disturbance; and
- c) Adds fines and penalties that escalate as repeated violations occur.

2. Title 9 Modifications:

- a) Prohibits defined Loud or Unruly Gatherings;
- b) Identifies a Responsible Party: property owner, lessee, or attendee;
- c) Prohibits large, noisy gatherings that charge for admission, refreshments or are advertised to the public (except where permitted or exempt);
- d) Enables officers to order guests to disperse, issue citations or make arrests if necessary; and
- e) Subjects repeat offenses to escalating fines.



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POSSIBLE REGULATIONS AND NEXT STEPS

A. Prohibit RSTRs in specific zones;

- 1. RC- Residential Conservation;
- 2. RA-5 – Residential Agriculture;
- 3. CRC – Commercial Regional Center;
- 4. BMP – Business Manufacturing Park; and
- 5. I – Industrial.

B. Include a definition for Short-term rentals; and

C. Continue monitoring RSTRs and consider additional modifications if issues arise.



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RECOMMENDATIONS

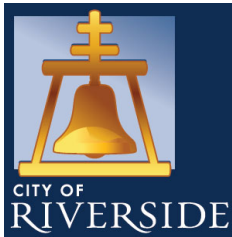
That the City Council:

1. Receive and file the Report on residential short-term rentals in the City of Riverside, including an overview of issues, potential regulations and policies that can be applied; and
2. Provide direction to staff on possible amendments to Title 19 (Zoning) of the Riverside Municipal Code related to residential short-term rental uses in the City of Riverside and return to City Council for approval of any recommended amendments.



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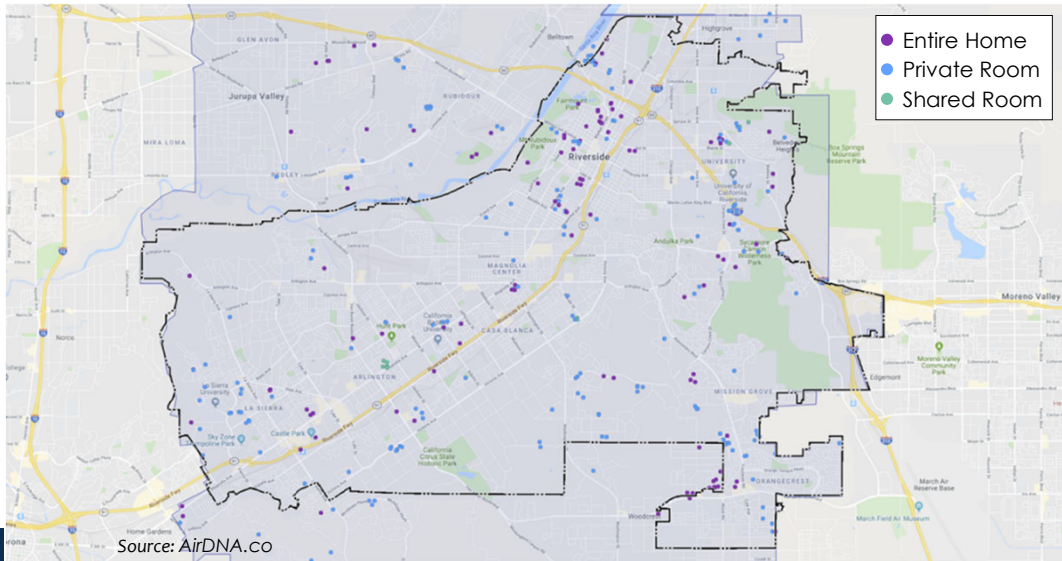
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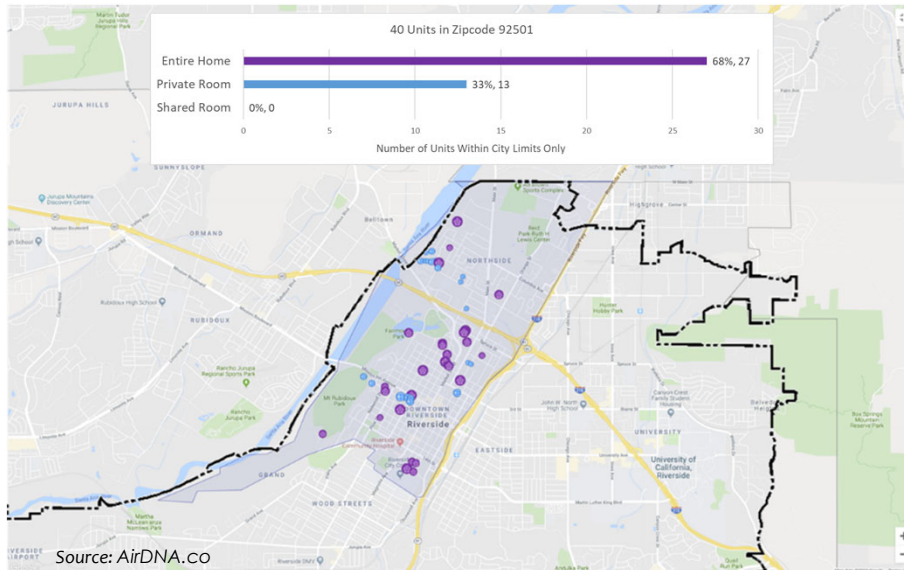
CURRENT RSTR LOCATIONS



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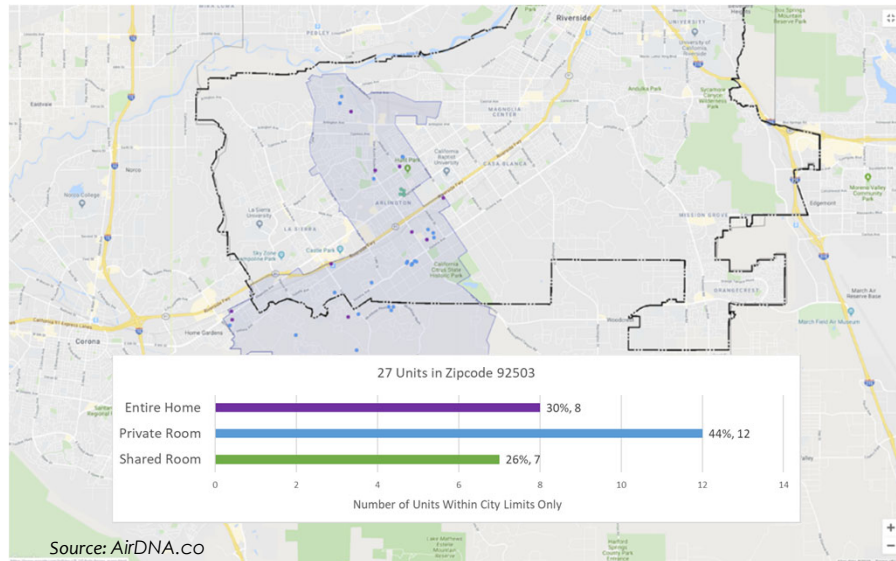
CURRENT RSTR LOCATIONS - 92501



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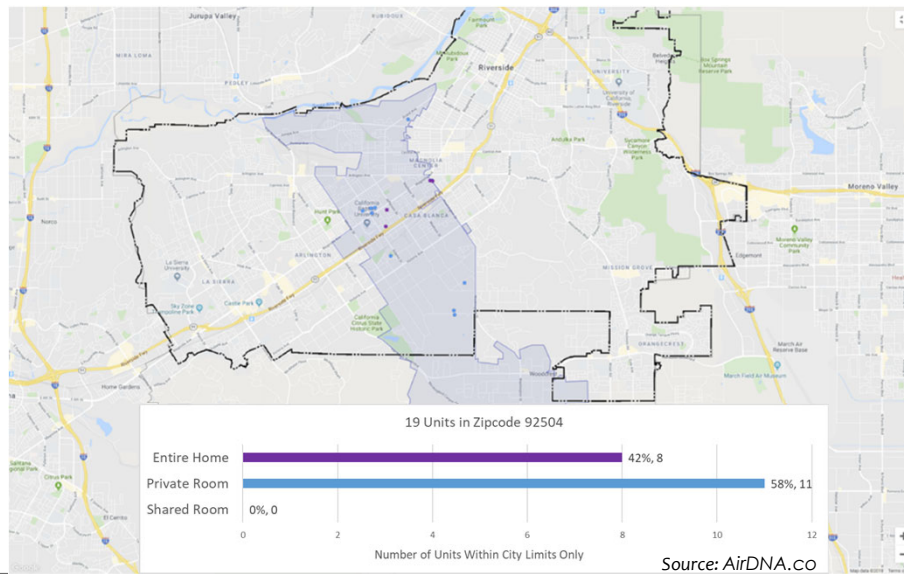
CURRENT RSTR LOCATIONS - 92503



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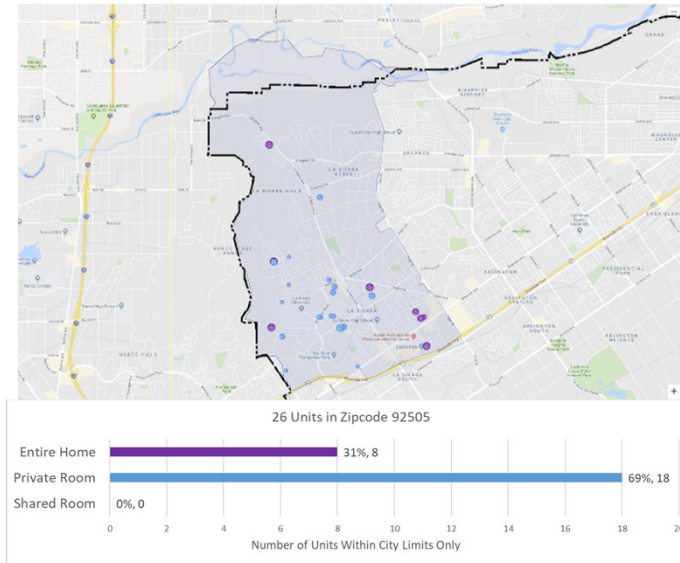
CURRENT RSTR LOCATIONS - 92504



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CURRENT RSTR LOCATIONS - 92505



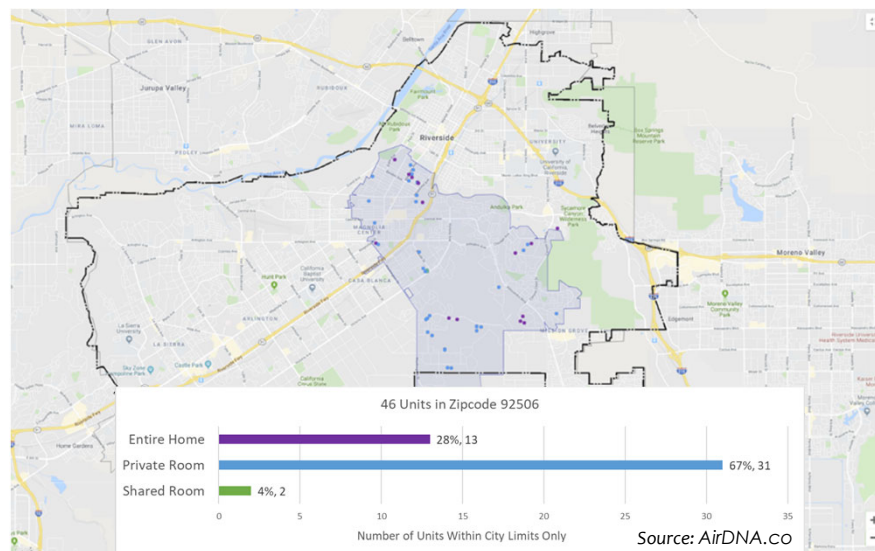
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CURRENT RSTR LOCATIONS - 92506



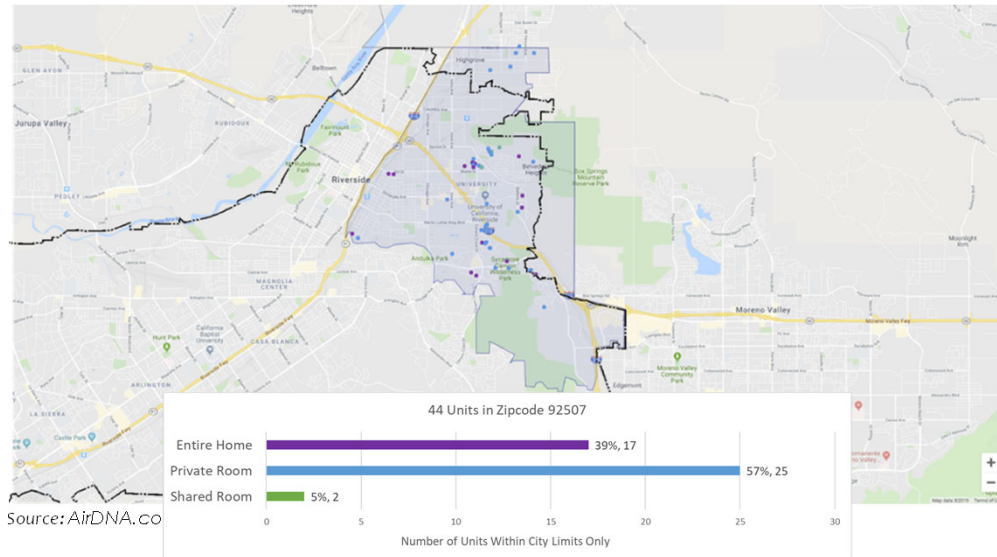
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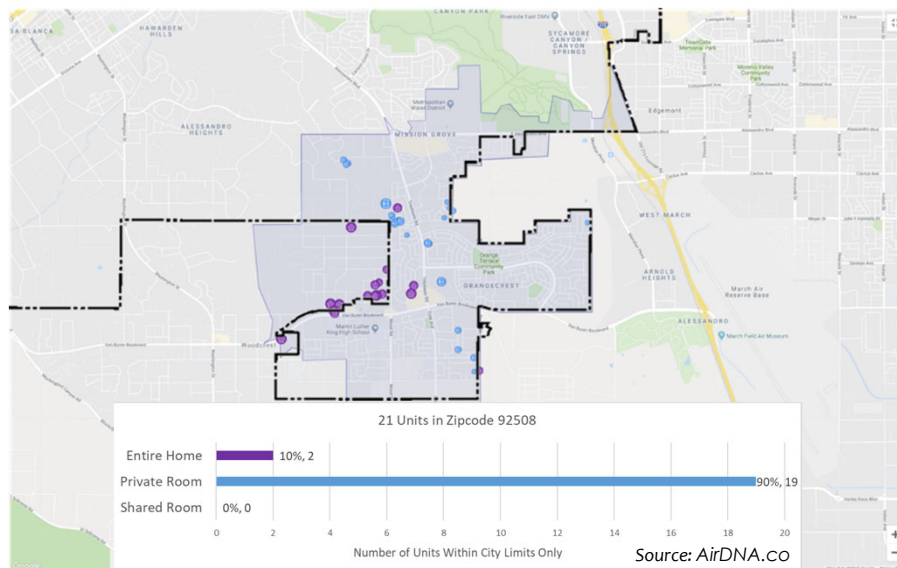
CURRENT RSTR LOCATIONS - 92507



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CURRENT RSTR LOCATIONS - 92508



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