Short-Term Rentals

- **What:** Anaheim’s updated policy on short-term rentals, or STRs, operating in the city

- **Adopted:** June 19, 2019, effective July 19, 2019

- **Change:** reverses August 2016 ban and phase-out of STRs, allowing majority of permitted STRs to continue operating in Anaheim

- **Why:** ends drawn-out process between city and STR owners over hardship applications and recouping of STR investment costs

- **STRs in Anaheim:** 277, as of June 2019
  - Single-family homes: 198
  - Condominiums: 79

- **Key provisions:**
  - Allows 235 permitted STRs to continue operating in Anaheim
  - STRs must comply with good neighbor rules or risk losing permits
  - STRs in communities where homeowner associations have banned them are required to close by December 2022
  - Permitted STRs closing under homeowner association bans could seek to relocate elsewhere in the city
  - Prohibits opening of new STRs (other than relocations as noted above)
  - 42 STRs that opted to shut down by August 2019 will still be required to do so, leaving 235 permitted STRs in Anaheim
  - Permitted STRs that keep operating will continue to pay city transient occupancy tax

- **STR rules:**
  - STR owners and operators must have a local contact who can respond around the clock, within 45 minutes, to reported violations and complaints
  - STR owners and operators must supply contact information to neighbors
  - Guests renting an STR in Anaheim must be 21 or older
  - Guests must adhere to quiet time from 10 p.m. to 9 a.m.
Short-Term Rentals

- **Occupancy**: The number of short-term rental guests is limited by the number of rooms at a property

<table>
<thead>
<tr>
<th>Bedrooms</th>
<th>Occupancy</th>
</tr>
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<tbody>
<tr>
<td>Studio</td>
<td>2</td>
</tr>
<tr>
<td>1</td>
<td>4</td>
</tr>
<tr>
<td>2</td>
<td>7</td>
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<td>5</td>
<td>15</td>
</tr>
<tr>
<td>6</td>
<td>17</td>
</tr>
<tr>
<td>7</td>
<td>19</td>
</tr>
</tbody>
</table>

- **Violation citations**: can be issued to owners, operators and guests without warning

- **Violations types**: major and minor
  - Two major violations within 12 months are grounds to revoke a permit
  - 10 minor violations within 12 months are grounds to revoke a permit
  - Owners, operators and renters all subject to fines
Short-Term Rentals

- **Fines:**

<table>
<thead>
<tr>
<th>Owner/Operator</th>
<th>First offense</th>
<th>Second offense within 12 months</th>
<th>Third offense within 12 months</th>
</tr>
</thead>
<tbody>
<tr>
<td>Minor</td>
<td>$200</td>
<td>$400</td>
<td>$1,000</td>
</tr>
<tr>
<td>Major</td>
<td>$1,000</td>
<td>$1,500</td>
<td>$2,500</td>
</tr>
</tbody>
</table>

  | Guest | Each offense | Minor | $200 | Major | $500 |

- **Tax:** Short-term rentals pay Anaheim’s transient occupancy tax, equal to 15 percent of their gross rental revenue

- **Annual STR transient-occupancy tax:** $4 million, out of Anaheim’s nearly $163 million in yearly transient-occupancy tax revenue

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**Code Enforcement Numbers**

<table>
<thead>
<tr>
<th>Category</th>
<th>Number</th>
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</thead>
<tbody>
<tr>
<td>Code Violations</td>
<td>977</td>
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<tr>
<td>Cases Opened</td>
<td>882</td>
</tr>
<tr>
<td>Citations Issued</td>
<td>285</td>
</tr>
<tr>
<td>Cease and Desist Letters</td>
<td>180</td>
</tr>
<tr>
<td>Utilities shut off</td>
<td>16</td>
</tr>
<tr>
<td>Revoked Permits</td>
<td>1</td>
</tr>
</tbody>
</table>

August 2016 through May 2019
STR Policy Timeline

- **February 2013**: City Council requests a review to address STR policies for residents and owners

- **December 2013**: A City Council workshop is held on a program framework to ensure compatibility between neighborhoods and STRs, with input from residents and the Anaheim Rental Alliance

- **May 13, 2014**: City Council adopts first STR ordinance requiring owners to register, obtain a permit

- **Aug. 4, 2015**: The City Council hears resident comments on STRs

- **Sept. 15, 2015**: The City Council adopts a 45-day moratorium on new STR permits

- **Feb. 23, 2016**: The City Council holds a workshop to hear recommendations to address immediate and long-term concerns about STRs and receive input from the community and owners

- **June 29, 2016**: The City Council holds a special meeting and votes 5-0 to impose tighter regulations and votes 3-2 to ban and phase out STRs over 18 months

- **July 12, 2016**: The City Council by second reading formally adopts:
  - Tighter regulations on existing STRs and a ban on new ones
  - An 18-month phase out period for existing STRs

- **July 13 to Aug. 12, 2016**: Public invited to submit comments on a home sharing pilot program

- **Aug. 11, 2016**: New ordinances take effect banning new STRs and imposing 18-month phase-out of existing ones
STR Policy Timeline

- **Nov. 1, 2016:** City Council hears a conceptual review of a home sharing pilot program with potential policy consideration at a later date

- **Nov. 9, 2016:** Hardship applications available

- **Jan. 10, 2017:**
  - Adoption of 45-day extension for filing of hardship applications to allow applicants more time to meet city documentation requirements
  - Clarification of Code Enforcement property access rules; replaced immediate, unannounced investigatory access with requirement that owners or representatives respond within 45 minutes of a Code Enforcement inquiry

- **April 25, 2017:** City Council votes 4-3 to settle owners litigation and adopt hardship changes and minor regulatory updates

- **June 2017:** Hardship applications due

- **September 2017:** Extended hardship application deadline

- **Feb. 11, 2018:** Last day to legally operate an STR in Anaheim unless a hardship extension is granted

- **June 5, 2019:** first Council vote updating STR policy, allowing majority of STRs to continue operating

- **June 19, 2019:** final Council vote updating STR policy, allowing majority of STRs to continue operating

- **July 19, 2019:** updated STR policy takes effect