

CITY OF CARPINTERIA

**SHORT-TERM RENTAL ADMINISTRATIVE
POLICIES AND PROCEDURES**

**City of Carpinteria
5775 Carpinteria Avenue
Carpinteria, CA 93013
Phone: (805) 684 - 5405
Fax: (805) 684 - 5304**

**Revised
August 2018**

**CITY OF CARPINTERIA
SHORT-TERM RENTAL ADMINISTRATIVE POLICIES AND
PROCEDURES**

TABLE OF CONTENTS

Contents

I.	GLOSSARY	3
II.	INTRODUCTION	- 5 -
III.	KEY DATES AND DEADLINES	- 5 -
IV.	VACATION RENTALS	- 6 -
	A. Vacation Rental Overlay District	- 6 -
	B. Issuance of Vacation Rental Licenses	- 6 -
	C. Renewal of Vacation Rental Licenses	- 8 -
	D. Denial of STR Application for Vacation Rental License	- 9 -
	E. Amortization of Nonconforming Vacation Rentals	- 9 -
	F. Transferability of Vacation Rental License	- 9 -
	G. Application Fee for Vacation Rental License	- 10 -
	H. Submission of TOT Under Vacation Rental License	- 10 -
	I. Revocation of Vacation Rental License	- 10 -
V.	HOME STAYS	11
	A. Issuance of Home Stay Licenses	11
	B. Renewal of Home Stay Licenses	11
	C. Denial of STR Application for Home Stay License	11
	D. Application Fee for Home Stay Licenses	12
	E. Submission of TOT Under Home Stay License	12
	F. Revocation of Home Stay License	12

I. GLOSSARY

This glossary provides definitions for many of the terms used in these STR Administrative Policies and Procedures

City	City of Carpinteria.
City Council	City Council of the City of Carpinteria.
CMC	Carpinteria Municipal Code.
Home Stay	A type of short-term rental where the owner remains in the residential unit during the entire rental period. A Home Stay does not include the hosting of personal guests, home exchanges or Vacation Rentals. Tents, yurts and RVs are not allowed as a part of a Home Stay rental.
Home Stay License	A license that allows the owner of a Residential Unit to use his or her Residential Unit as a Home Stay.
Nonconforming Vacation Rental	A Vacation Rental that is located outside of the Vacation Rental Overlay District that meets the requirements specified in Section 14.47.190 of the CMC.
Residential Unit	A building or portion thereof designed for or occupied in whole or in part, as a home, residency, or sleeping place, either permanently or temporarily, and containing not more than one kitchen per residential unit, but not including a hotel or boarding house, lodging house or motel. For the purposes of the CMC, Residential Unit includes the term dwelling unit and housing unit. See also CMC Section 14.08.190 "Dwelling."
Short-Term Rental	The rental of a Residential Unit for a period of thirty (30) consecutive calendar days or less, subject to all applicable City land use regulations, permit/licensing requirements, and payment of fees and/or taxes, including transient occupancy tax as defined in Chapter 3.20 of the CMC. Short-Term Rentals include both Vacation Rentals and Home Stays. Tents, yurts and RVs are not allowed as a part of a Short-Term Rental.
STR Regulations	The City's comprehensive regulations governing Short-Term Rental use throughout the City, adopted as Ordinance No. 708.

STR Administrative Policies and Procedures	This document, which sets forth the City’s administrative policies and procedures for implementation of the STR Regulations.
STR Application	A Business Tax License and Transient Occupancy Tax Certificate Initial Application for Short-Term Rental use that the owner of a Residential Unit must fill out and submit to the City’s Community Development Department to apply for a Vacation Rental License or Home Stay License.
STR Renewal Application	A Business Tax License and Transient Occupancy Tax Certificate Renewal Application for Short-Term Rental use that the owner of a Residential Unit must fill out and submit to the City’s Community Development Department by June 15 of each year to renew their Vacation Rental License or Home Stay License.
TOT	Transient Occupancy Tax.
Vacation Rental	A type of Short-Term Rental where the owner of the Residential Unit does not remain in the Residential Unit during the entire rental period. Vacation Rentals typically include the rental of an entire dwelling or premises. For the purposes of the CMC, a Vacation Rental does not include time shares, Home Stays or home exchanges. Tents, yurts and RVs are not allowed as a part of a Vacation Rental.
Vacation Rental License	A license that allows the owner of a Residential Unit to use his or her Residential Unit as a Vacation Rental.
Vacation Rental License List	A list of applicants interested in receiving a Vacation Rental License that the City creates upon receipt of an application for a Vacation Rental License. Applicants will be added to the Vacation Rental License List in the order in which STR Applications are received. Residential Unit(s) will be considered for Vacation Rental License(s) based on their ranking.

II. INTRODUCTION

The City's comprehensive STR Regulations, codified in the CMC as Chapters 14.47 and 14.52, became effective on July 1, 2017. This document sets forth the City's administrative policies and procedures for implementation of the STR Regulations).

Pursuant to CMC Sections 14.47.240 and 14.52.210, the City Manager has the authority to adopt and amend the STR Administrative Policies and Procedures as necessary to implement the intent of the STR Regulations. The City Council may also request amendments to the STR Administrative Policies and Procedures.

III. KEY DATES AND DEADLINES

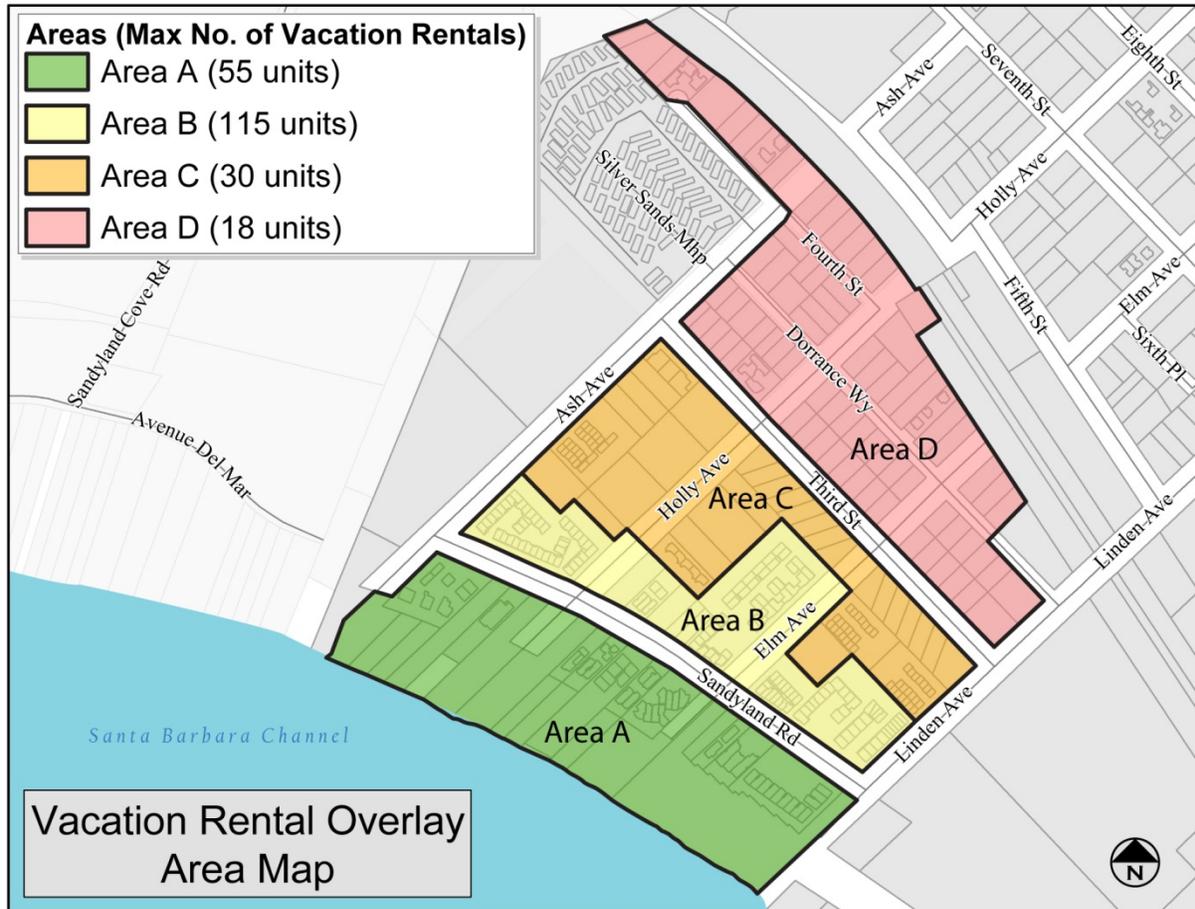
The following chart sets forth key dates and deadlines under the STR Regulations.

Key Dates and Deadlines	
May 1	Revised STR Application and STR Renewal Application forms available for new TOT Certificate/Business License Cycle
June 15	Deadline to submit STR Application for new or renewal of existing STR Vacation Rental License (for processing before start of new TOT Certificate/Business License Cycle begins)
July 1	New TOT Certificate/Business License cycle begins
July 1 – June 15	STR Applications for new Vacation Rental Licenses accepted for review on rolling basis

IV. VACATION RENTALS

A. Vacation Rental Overlay District

The Vacation Rental Overlay District map depicted below was adopted as part of the STR Regulations. This map identifies the four areas (i.e., Area A, B, C, and D) that comprise the Vacation Rental Overlay District. Section 14.47.090 of the CMC sets forth the maximum number of Vacation Rental Licenses the City is authorized to issue in each of these four areas at any given time.



B. Issuance of Vacation Rental Licenses

Pursuant to the STR Regulations, a maximum number of Vacation Rentals are allowed within each area of the Vacation Rental Overlay District. In order to operate a Vacation Rental, the owner of a Residential Unit must apply for and receive a Vacation Rental License from the City under the STR Regulations. All Vacation Rentals must be operated in compliance with the Operating Standards set forth in Section 14.47.080 of the CMC.

The application requirements for Vacation Rentals are located in Sections 14.47.070, 14.47.090, 14.47.100, and 14.47.180 of the CMC. In order to apply for a Vacation Rental License, the owner of the Residential Unit must submit a completed STR Application to the City's

Community Development Department located at 5775 Carpinteria Avenue, Carpinteria, California 93013. A Copy of the STR Application is available at City Hall and on the City's website at carpinteria.ca.us. Each STR Application should specify the area (i.e., Area A, B, C, or D) within the Vacation Rental Overlay District where the Residential Unit is located.

The City will accept STR Applications for a new Vacation Rental License on a rolling basis throughout the year. Revised STR Application forms will be available on May 1 prior to the start of the new TOT Certificate/Business License Cycle. Applicants should be sure to use the most up-to-date version of the STR Application; STR Applications submitted on outdated forms will not be accepted. The City will issue a Vacation Rental License to each owner of a Residential Unit that meets the requirements set forth in the STR Regulations and in this Section of the STR Administrative Policies and Procedures, provided that the maximum number of Vacation Rental Licenses the City is authorized to issue within each area (i.e., Area A, B, C, and D) of the Vacation Rental Overlay District has not been exceeded. (*See* CMC § 14.47.090(a).) The City will accept STR Applications, and review and issue Vacation Rental Licenses, on a first-come, first-served basis until the maximum is reached in each area. Vacation Rental Licenses expire June 30 of each year and are subject to renewal requirements regardless of the date they were issued.

If and when the number of submitted STR Applications exceeds the number of Vacation Rental Licenses available for any area within the Vacation Rental Overlay District, upon receipt of an STR Application for that area, the City will add the applicant's name to the Vacation Rental License List.¹ Prior to being added to the Vacation Rental License List, the applicant must submit payment of an application fee to cover staff time involved in maintaining and managing the Vacation Rental License List.² Names will be added to the Vacation Rental License List on a first-come, first-served basis. An applicant's position on the Vacation Rental License List cannot be sold or transferred; it is specific to both the applicant and the Residential Unit identified in the STR Application. Except as allowed under Section IV(F) of these STR Administrative Policies and Procedures, any transfer in ownership of a Residential Unit requires submission of a new STR Application subject to Sections 14.47.070, 14.47.090, 14.47.100, and 14.47.180 of the CMC and the procedure outlined in Section IV(B) of these STR Administrative Policies and Procedures.

If and when an additional Vacation Rental License becomes available within a previously full area within the Vacation Rental Overlay District, the City will contact the first applicant on the Vacation Rental License List to offer the opportunity to obtain a Vacation Rental License. The City will use the applicant's contact information listed on his or her STR Application. Once contacted by the City, the applicant will have ten (10) days to respond to the City and submit an application fee, as set forth in Section IV(G) of these STR Administrative Policies and Procedures.³ If the applicant does not submit an application fee within ten (10) days of being contacted by the City, that applicant will be removed from the Vacation Rental License List and the City will offer the opportunity to obtain a Vacation Rental License to the next highest ranked applicant on the Vacation Rental License List. Once an applicant submits the required

¹ Only owners of a Residential Unit are eligible to apply for a Vacation Rental License. (CMC § 14.47.030.)

² The City is in the process of developing this fee.

³ Once the City begins its review of an applicant's STR Application, the application fee is non-refundable regardless of whether or not the applicant is issued an STR License.

application fee, the City will review the applicant's STR Application and, upon a determination that the STR Application is complete and complies with the STR Regulations, will issue the applicant a Vacation Rental License. If there are no names on the Vacation Rental License List, the City will review and issue Vacation Rental Licenses to applicants on a first-come, first-served basis.

For example, if the City receives five (5) STR Applications for residential units within Area A and there are two (2) available Vacation Rental Licenses in Area A, the City will issue Licenses to the property owners of the first two (2) STR Applications it received, assuming the STR Applications are complete and meet all the requirements in the CMC. The property owners named on the remaining three (3) STR Applications will be added to the Vacation Rental License List in the order the applications were received. If and when an additional Vacation Rental License becomes available in Area A, the City will follow the procedure set forth in the paragraph above and offer the opportunity to obtain a Vacation Rental License to the first name listed on the Vacation Rental License List for Area A.

Each owner shall agree to waive all claims, indemnify, and hold harmless the City for any and all liability for any injury or damages arising out of, or in connection with, the owner's participation under the City's STR Regulations.

C. Renewal of Vacation Rental Licenses

By May 1 of each year, the City will send out Vacation Rental License renewal reminders to the owners of all Residential Units with a valid Vacation Rental License. To renew an existing Vacation Rental License, the owner of the Residential Unit must (1) submit a STR Renewal Application to the City's Community Development Department located at 5775 Carpinteria Avenue, Carpinteria, California 93013, (2) submit a copy of the advertisement for the rental unit or, if the Vacation Rental is not advertised, a written explanation of how the rental unit is rented out, (3) be in compliance with the requirements of both the STR Regulations and the STR Administrative Policies and Procedures, (4) pay the Renewal of STR Application/License fee, as set forth in Section IV(G) of these STR Administrative Policies and Procedures, and (5) remit all required TOT remittance payments and quarterly statements (even if the amount of TOT owed is \$0) associated with the Vacation Rental to the City. Revised STR Renewal Application forms will be available on May 1 prior to the start of the new TOT Certificate/Business License Cycle. Applicants should be sure to use the most up-to-date version of the STR Renewal Application; STR Renewal Applications submitted on outdated forms will not be accepted.

The City will, on an annual basis, audit 5% of Vacation Rental licenses and respond to complaints received. Audit findings, code violations, or failure to comply with the requirements herein and renew prior to June 15 of each year may result in expiration or revocation of the Vacation Rental License and require that a new STR Application be submitted to the City subject to Sections 14.47.070, 14.47.090, 14.47.100, and 14.47.180 of the CMC and the procedure outlined in Section IV(B) of these STR Administrative Policies and Procedures. Renewals of Vacation Rental Licenses must be for the same owner, address, and unit number; changes to any of these details require submission of a new STR Application subject to Sections 14.47.070, 14.47.090, 14.47.100, and 14.47.180 of the CMC and the procedure outlined in Section IV(B) of these STR Administrative Policies and Procedures.

D. Denial of STR Application for Vacation Rental License

In order to receive a Vacation Rental License, an applicant must comply with all requirements of the STR Regulations. Based on the authority set forth in Sections 14.47.070(h), 14.47.080(m), 14.47.080(o), and 14.47.090 of the CMC, the City Manager has discretion to deny an STR Application for a Vacation Rental License, which discretion shall include but not be limited to the following reasons: (1) the Residential Unit is located outside of the Vacation Rental Overlay District, (2) the limit on the number of Vacation Rental Licenses the City is authorized to issue pursuant to Section 14.47.090(a) of the CMC has already been met, (3) the Residential Unit is not in compliance with any federal, state, or local law, including the STR Regulations, and (4) the STR Application is incomplete or does not comply with the requirements of the STR Regulations.

E. Amortization of Nonconforming Vacation Rentals

Vacation Rentals that are located outside of the Vacation Rental Overlay District that meet the requirements specified in Section 14.47.190 of the CMC are considered Nonconforming Vacation Rentals. An owner of a Nonconforming Vacation Rental is required to renew his or her Vacation Rental License on an annual basis in compliance with the requirements of the STR Regulations and Section IV(C) of these STR Administrative Policies and Procedures. Nonconforming Vacation Rentals must be operated in compliance with the STR Regulations.

The owner of a Nonconforming Vacation Rental is eligible to apply for and receive a Vacation Rental License for five (5) years after the STR Regulations become effective, provided that the owner applied for and received an STR Vacation License for the 2017/2018 TOT certificate/business license cycle.⁴ This right will terminate (1) on July 1, 2022, (2) failure to timely renew as required by the STR Regulations and these STR Administrative Policies and Procedures, or (3) upon transfer or sale of the Residential Unit (including as a result of inheritance), whichever occurs first.

F. Transferability of Vacation Rental License

The STR Regulations specify that sale or transfer of a Residential Unit will result in automatic expiration of the Vacation Rental License. For purposes of the STR Regulations, “sale or transfer” does not include (1) a change in property ownership as a result of inheritance, (2) transfer of ownership interest between existing owners as long as the portion of the ownership interest being transferred is being transferred to one of those existing owners, or (3) transfer of less than 10 percent of total ownership of the property. Although these enumerated situations constitute a change of ownership of the Residential Unit, the change would not result in the automatic expiration of the Vacation Rental License associated with that Residential Unit.

Within ninety (90) days of a change of ownership falling into one of the exception categories listed above, the new owner must fill out and submit an STR Application (pursuant to the requirements set forth in Sections 14.47.070, 14.47.090(b)-(e), 14.47.100, and 14.47.180 of the

⁴ The City’s issuance of a Vacation Rental License to a Nonconforming Vacation Rental does not count against the maximum number of Vacation Rental Licenses the City is authorized to issue within the Vacation Rental Overlay District.

CMC) to the City's Community Development Department located at 5775 Carpinteria Avenue, Carpinteria, California 93013. A Copy of the STR Application is available at City Hall. The City's fee for reviewing an initial STR Application will apply. As part of the application process, the new owner must provide the City with documentation sufficient to prove that the change in ownership for the Residential Unit is due to one of the exemptions outlined in the preceding paragraph.

G. Application Fee for Vacation Rental License

The City Council adopted the following fee schedule in Resolution No. 5700 on February 13, 2017. These fees are effective as of April 14, 2017:

- Initial STR Application/License: \$315.00
- Renewal of STR Application/License: \$105.00

Pursuant to the CMC, the City Council may amend these fees from time to time.

H. Submission of TOT Under Vacation Rental License

All owners of Residential Units holding a Vacation Rental License must comply with the requirements, procedures, and schedule set forth in Chapter 3.20 of the CMC regarding remittance of the TOT to the City. Remittance payments must be accompanied by a TOT Remittance Form, available at City Hall. TOT Remittance Forms must be submitted quarterly, even if no TOT has been collected. Failure to remit TOT consistent with these requirements may result in expiration and forfeiture of the Vacation Rental License pursuant to Section 14.47.140 of the CMC.

I. Revocation of Vacation Rental License

Vacation Rental Licenses may be revoked as set forth in Sections 14.47.150, 14.47.160, and 14.47.170 of the CMC. Before undertaking revocation proceedings, however, the City Manager will notify the owner of the Vacation Rental, in writing, of the ground(s) for revocation. At his or her discretion, the City Manager may provide an owner with a grace period to rectify the violation.

If an STR License for a Nonconforming Vacation Rental is revoked via revocation proceedings as set forth in Sections 14.47.150, 14.47.160, and 14.47.170 of the CMC, the nonconforming status and use shall terminate and a new Vacation Rental License will not be issued.

This Section in no way limits the City's authority pursuant to its police power, the CMC, or other applicable statutes. Health and safety violations do not require compliance with the revocation proceedings outlined in the STR Regulations and the City may rely on its police power, the CMC, and other applicable statutes to remedy such violations immediately.

V. HOME STAYS

A. Issuance of Home Stay Licenses

Pursuant to the STR Regulations, Home Stays are allowed in Residential Units throughout the City. The application requirements for Home Stays are located in Sections 14.52.050, 14.52.070, 14.52.080, and 14.52.160 of the CMC. In order to apply for a Home Stay License, the owner of the Residential Unit must fill out and submit a STR Application to the City's Community Development Department located at 5775 Carpinteria Avenue, Carpinteria, California 93013. A Copy of the STR Application is available at City Hall. Revised STR Application forms will be available on May 1 prior to the start of the new TOT Certificate/Business License Cycle. Applicants should be sure to use the most up-to-date version of the STR Application; STR Applications submitted on outdated forms will not be accepted.

Home Stays must be operated in compliance with the Operating Standards set forth in Section 14.52.060 of the CMC.

B. Renewal of Home Stay Licenses

By May 1 of each year, the City will send out Home Stay License renewal reminders to the owners of all Residential Units with a valid Home Stay License. To renew an existing Home Stay License, the owner of the Residential Unit must (1) submit a STR Renewal Application to the City's Community Development Department located at 5775 Carpinteria Avenue, Carpinteria, California 93013, (2) be in compliance with the requirements of both the STR Regulations and the STR Administrative Policies and Procedures, (3) pay the Renewal of STR Application/License fee, as set forth in Section V(D) of these STR Administrative Policies and Procedures, and (4) remit all required TOT remittance documents associated with the Home Stay to the City. Revised STR Renewal Application forms will be available on May 1 prior to the start of the new TOT Certificate/Business License Cycle. Applicants should be sure to use the most up-to-date version of the STR Renewal Application; STR Renewal Applications submitted on outdated forms will not be accepted.

The City will, on an annual basis, audit 5% of Home Stay licenses and respond to complaints received. Audit findings, code violations, or Failure to comply with these requirements and renew prior to June 15 of each year may result in expiration or revocation of the Home Stay License and require that a new STR Application be submitted to the City subject to Sections 14.52.050, 14.52.070, 14.52.080, and 14.51.160 of the CMC and the procedure outlined in Section V(A) of these STR Administrative Policies and Procedures.

C. Denial of STR Application for Home Stay License

In order to receive a Home Stay License, an applicant must comply with all requirements of the STR Regulations. Based on the City's authority set forth in Sections 14.52.050(d), 14.52.060(h), and 14.52.070 of the CMC, the City has discretion to deny an STR Application for a Home Stay License, for reasons including but not limited to the following: (1) the Residential Unit is not in compliance with any federal, state, or local law, including the STR Regulations, and (2) the STR Application is incomplete or does not comply with the requirements of the STR Regulations.

D. Application Fee for Home Stay Licenses

The City Council adopted the following fee schedule in Resolution No. 5700 on February 13, 2017. These fees are effective as of April 14, 2017:

- Initial STR Application/License: \$315.00
- Renewal of STR Application/License: \$105.00

Pursuant to the CMC, the City Council may amend these fees from time to time.

E. Submission of TOT Under Home Stay License

All owners of Residential Units holding a Home Stay License must comply with the requirements, procedures, and schedule set forth in Chapter 3.20 of the CMC regarding remittance of TOT to the City. Remittance payments must be accompanied by a TOT Remittance Form, available at City Hall. TOT Remittance Forms must be submitted quarterly even if no TOT has been collected. Failure to remit TOT consistent with these requirements may result in expiration and forfeiture of the Home Stay License pursuant to Section 14.52.120 of the CMC.

F. Revocation of Home Stay License

Home Stay Licenses may be revoked as set forth in Sections 14.52.130, 14.52.140, and 14.52.150 of the CMC. Before undertaking revocation proceedings, however, the City Manager will notify the owner of the Home Stay, in writing, of the ground(s) for revocation. At his or her discretion, the City Manager may provide an owner with a grace period to rectify the violation.

This Section in no way limits the City's authority pursuant to its police power, the CMC, and other applicable statutes. Health and safety violations do not require compliance with the revocation proceedings outlined in the STR Regulations and the City may rely on its police power, the CMC, and other applicable statutes to remedy such violations immediately.