

City of Santa Fe, New Mexico

LEGISLATIVE SUMMARY

Resolution No. 2015-____ Short Term Rental Review

SPONSOR(S): Councilors Maestas and Ives

SUMMARY: The proposed resolution directs staff to analyze the current Land Development Code, Chapter 14-6.2, and make recommendations with respect to short term rentals.

PREPARED BY: Rebecca Seligman, Legislative Liaison Assistant

FISCAL IMPACT: No

DATE: August 12, 2015

ATTACHMENTS: Resolution
FIR

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CITY OF SANTA FE, NEW MEXICO

RESOLUTION NO. 2015-__

INTRODUCED BY:

Councilor Joseph Maestas

Councilor Peter Ives

RESOLUTION

DIRECTING STAFF TO ANALYZE THE CURRENT LAND DEVELOPMENT CODE, CHAPTER 14-6.2, AND MAKING RECOMMENDATIONS WITH RESPECT TO SHORT TERM RENTALS.

WHEREAS, Santa Fe is a desired destination for various reasons such as outdoor pursuits, culture, art, and music; and

WHEREAS, Santa Fe is regularly ranked at the top of many international and domestic travels lists, providing substantial exposure and increased tourists to the City Different; and

WHEREAS, many people choose to stay in hotel rooms during their stay in Santa Fe, yet the proliferation of other housing options has presented visitors with a plethora of alternatives when choosing where to stay; and

WHEREAS, short term rental units have proven popular with visitors because of price, amenities and location, among other considerations; and

WHEREAS, the city currently has 350 permitted short term rentals; and

WHEREAS, there appears to be many unpermitted short term rentals being offered within

1 the city of Santa Fe that are advertised on Craigslist, Airbnb and other, comparable websites; and

2 **WHEREAS**, unpermitted short term rentals do not contribute lodgers' or gross receipts tax to
3 the City, resulting in lost revenue; and

4 **WHEREAS**, the fiscal year 2014 Lodger's Tax Agreed-upon Procedures Report by
5 Barraclough & Associates, P.C. recommended: "The City of Santa Fe should reconcile the number of
6 licenses for short term renters with those paying taxes. The City of Santa Fe should reevaluate the
7 limit on short term licenses of 350 to ensure that this number is still appropriated today"; and

8 **WHEREAS**, even with the amendment of Section 14-6.2(A)(6), SFCC 1987 by Ordinance
9 2009-40, there appears to be a greater need for permitted short term rentals.

10 **NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF THE**
11 **CITY OF SANTA FE** that the Governing Body hereby directs staff to analyze the current Land
12 Development Code, review how other cities regulate short term rentals, and make recommendations
13 in the following areas:

- 14 1. The amount of short term rentals, including both permitted and unpermitted, believed to
15 be offered and used within Santa Fe.
- 16 2. The revenue lost to the City by means of gross receipts tax and lodgers' tax.
- 17 3. The violations of the current ordinance, the City's response to the violations, and how the
18 City can encourage greater compliance.
- 19 4. The staff required to provide necessary enforcement.
- 20 5. The penalty structure for operating without a business license and short term rental
21 permit.
- 22 6. Changes to the code that would produce increased efficiency in operation and regulation,
23 and greater compliance with adopted regulations.

24 **BE IT FURTHER RESOLVED** that staff is to determine if the City may develop a
25 definition of "room" for purposes of regulating short term rentals within municipal boundaries.

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BE IT FURTHER RESOLVED that staff report their findings to the Governing Body sixty

(60) days following the approval of this resolution.


PASSED, APPROVED and ADOPTED this _____ day of _____, 2015.

JAVIER M. GONZALES, MAYOR

ATTEST:

YOLANDA Y. VIGIL, CITY CLERK

APPROVED AS TO FORM:



KELLEY A. BRENNAN, CITY ATTORNEY

City of Santa Fe Fiscal Impact Report (FIR)

This Fiscal Impact Report (FIR) shall be completed for each proposed bill or resolution as to its direct impact upon the City's operating budget and is intended for use by any of the standing committees of and the Governing Body of the City of Santa Fe. Bills or resolutions with no fiscal impact still require a completed FIR. Bills or resolutions with a fiscal impact must be reviewed by the Finance Committee. Bills or resolutions without a fiscal impact generally do not require review by the Finance Committee unless the subject of the bill or resolution is financial in nature.

Section A. General Information

(Check) Bill: _____ Resolution: X

(A single FIR may be used for related bills and/or resolutions)

Short Title(s): A RESOLUTION DIRECTING STAFF TO ANALYZE THE CURRENT LAND DEVELOPMENT CODE, CHAPTER 14-6.2, AND MAKING RECOMMENDATIONS WITH RESPECT TO SHORT TERM RENTALS.

Sponsor(s): Councilor's Maestas and Ives

Reviewing Department(s): Land Use/Legislative Services

Persons Completing FIR: Lisa Martinez/Jesse Guillen Date: 8/13/15 Phone: 955-6617/9655-6518

Reviewed by City Attorney: Kelly A. Berman Date: 8/28/15
(Signature)

Reviewed by Finance Director: [Signature] Date: 9-1-2015
(Signature)

Section B. Summary

Briefly explain the purpose and major provisions of the bill/resolution:

This resolution directs staff to analyze current city code as it relates to short term rentals. This report will include the number of permitted and unpermitted short term rentals offered in the city, revenue lost from gross receipts and lodgers taxes, violations of the current ordinance, staffing needs to provide adequate enforcement, penalties for operating without a business license and short term rental permit, and changes to the code that would streamline the permitting, enforcement and penalty structure of the ordinance. Staff shall present the report within 60 days of passage of the resolution.

Section C. Fiscal Impact

Note: Financial information on this FIR does not directly translate into a City of Santa Fe budget increase. For a budget increase, the following are required:

- a. The item must be on the agenda at the Finance Committee and City Council as a "Request for Approval of a City of Santa Fe Budget Increase" with a definitive funding source (could be same item and same time as bill/resolution)
- b. Detailed budget information must be attached as to fund, business units, and line item, amounts, and explanations (similar to annual requests for budget)
- c. Detailed personnel forms must be attached as to range, salary, and benefit allocation and signed by Human Resource Department for each new position(s) requested (prorated for period to be employed by fiscal year)*

1. Projected Expenditures:

- a. Indicate Fiscal Year(s) affected – usually current fiscal year and following fiscal year (i.e., FY 03/04 and FY 04/05)
- b. Indicate: "A" if current budget and level of staffing will absorb the costs
"N" if new, additional, or increased budget or staffing will be required
- c. Indicate: "R" – if recurring annual costs
"NR" if one-time, non-recurring costs, such as start-up, contract or equipment costs
- d. Attach additional projection schedules if two years does not adequately project revenue and cost patterns
- e. Costs may be netted or shown as an offset if some cost savings are projected (explain in Section 3 Narrative)

Finance Director: _____

Check here if no fiscal impact

Column #:	1	2	3	4	5	6	7	8
	Expenditure Classification	FY _____	"A" Costs Absorbed or "N" New Budget Required	"R" Costs Recurring or "NR" Non-recurring	FY _____	"A" Costs Absorbed or "N" New Budget Required	"R" Costs - Recurring or "NR" Non-recurring	Fund Affected

Personnel*	\$ _____	_____	_____	\$ _____	_____	_____	_____	_____
Fringe**	\$ _____	_____	_____	\$ _____	_____	_____	_____	_____
Capital Outlay	\$ _____	_____	_____	\$ _____	_____	_____	_____	_____
Land/ Building	\$ _____	_____	_____	\$ _____	_____	_____	_____	_____
Professional Services	\$ _____	_____	_____	\$ _____	_____	_____	_____	_____
All Other Operating Costs	\$ _____	_____	_____	\$ _____	_____	_____	_____	_____
Total:	\$ _____	_____	_____	\$ _____	_____	_____	_____	_____

* Any indication that additional staffing would be required must be reviewed and approved in advance by the City Manager by attached memo before release of FIR to committees. **For fringe benefits contact the Finance Dept.

2. Revenue Sources:

- a. To indicate new revenues and/or
- b. Required for costs for which new expenditure budget is proposed above in item 1.

Column #:	1	2	3	4	5	6
	Type of Revenue	FY _____	"R" Costs Recurring or "NR" Non-recurring	FY _____	"R" Costs - Recurring or "NR" Non-recurring	Fund Affected

_____	\$ _____	_____	\$ _____	_____	_____	_____
_____	\$ _____	_____	\$ _____	_____	_____	_____
_____	\$ _____	_____	\$ _____	_____	_____	_____
Total:	\$ _____	_____	\$ _____	_____	_____	_____

3. Expenditure/Revenue Narrative:

Explain revenue source(s). Include revenue calculations, grant(s) available, anticipated date of receipt of revenues/grants, etc. Explain expenditures, grant match(s), justify personnel increase(s), detail capital and operating uses, etc. (Attach supplemental page, if necessary.)

None.

Section D. General Narrative

1. Conflicts: Does this proposed bill/resolution duplicate/conflict with/companion to/relate to any City code, approved ordinance or resolution, other adopted policies or proposed legislation? Include details of city adopted laws/ordinance/resolutions and dates. Summarize the relationships, conflicts or overlaps.

This resolution would analyze existing code and determine what changes can be made to make it more efficient and useful for the city and residents of Santa Fe.

2. Consequences of Not Enacting This Bill/Resolution:

Are there consequences of not enacting this bill/resolution? If so, describe.

The City will not be provided with a useful analysis of the current short term rental code and what changes can be made to make it more efficient and useful.

3. Technical Issues:

Are there incorrect citations of law, drafting errors or other problems? Are there any amendments that should be considered? Are there any other alternatives which should be considered? If so, describe.

None.

4. Community Impact:

Briefly describe the major positive or negative effects the Bill/Resolution might have on the community including, but not limited to, businesses, neighborhoods, families, children and youth, social service providers and other institutions such as schools, churches, etc.

This resolution will allow staff to report on the number of permitted and unpermitted short term rentals in the city, and steps that can be taken to implement a better system. This would provide more transparency for the public, and allow public input on best practices to ensure the city has a strong and fair system that benefits all residents.

Form adopted: 01/12/05; revised 8/24/05; revised 4/17/08