



COMMUNITY DEVELOPMENT DEPARTMENT 630 GARDEN ST. SANTA BARBARA, CA 93101 (805) 564-5578 | SantaBarbaraCA.gov

# SHORT-TERM RENTALS (STRS)

# **INFORMATIONAL PACKET**

# **QUESTIONS?**

Additional information regarding the planning process can be obtained at the Planning Counter at 630 Garden Street (805) 564-5578, PlanningCounter@SantaBarbaraCA.gov

## WHAT IS A SHORT-TERM RENTAL?

Short-term rentals (STRs), also known as vacation rentals, meet the City of Santa Barbara's definitions of Hotels and Similar Uses if overnight accommodation is offered for periods of 30 consecutive days or less outside the coastal zone and less than 30 consecutive days in the coastal zone. STRs are a commercial use of a property. The conversion of an existing home to a STR is considered a change of use from residential use to nonresidential use.

# ZONES WHERE HOTELS MAY BE PERMITTED

The following zones are where hotels, and thus STRs, may be permitted, provided that all the applicable standards are met. An STR is not allowed if the location is not in one of these zones. **STRs in single-unit zones are strictly prohibited**.

- Allowed Inland Zones: R-MH, C-R, C-G, and M-C
- Allowed Coastal Zones: R-4, C-L, C-P, C-1, C-2, C-M, HRC-1, HRC-2, HRC-2/OC, and M-1
- Requires a Conditional Use Permit (CUP): O-R\*, R-M\*, R-3\*, R-O\*, and O-C Zones

\* Only allowed in or on the same lot as a Structure of Merit or City Landmark

#### **PROPERTIES WITH AN ADU/JADU**

Properties with an accessory dwelling unit (ADU) or a junior accessory dwelling unit (JADU) may not be rented for less than 31 consecutive days. This prohibition applies to the primary residential unit, accessory dwelling unit, and junior accessory dwelling unit.

#### SHORT-TERM RENTAL ENFORCEMENT

Beginning August 1, 2023, the City launched its Short-Term Rental Enforcement Program. The City Attorney's Office oversees the program. Call in a complaint at (805) 897-1934 or use the online form at: <u>City Attorney's Office</u>.

Enforcement against unpermitted STRs in the coastal zone is limited to situations where complaints are received due to tenant behavior or other nuisance-like conditions—if the property does not have an ADU or JADU. However, the City can and will proactively enforce failure to obtain business tax certificates or comply with the City's Transient Occupancy Tax requirements. For short-term vacation rentals in the coastal zone, contact the City Finance Department to begin the Business Tax Certificate and TOT registration process.

# IS A BUSINESS TAX CERTIFICATE REQUIRED?

Yes, STR operators must have a business tax certificate. Contact City Hall – Business Licensing Office.

#### ARE PAYMENTS OF TRANSIENT OCCUPANCY TAXES REQUIRED?

Yes, the City of Santa Barbara requires every short-term rental operator to collect and pay transient occupancy taxes (TOT). For additional information, contact City Hall – <u>Business Licensing Office</u>.

#### **PARKING REQUIREMENTS**

Parking requirements for permitted STRs are the same as that for Hotels: one space per guestroom/sleeping unit, or the residential housing type, whichever is greater. In the case of STRs, each bedroom is considered a sleeping unit. Note that if a residential unit is converted to an STR, that unit will no longer be eligible to be part of the <u>Residential Parking Program</u>. City policy dictates that parking for nonresidential uses, including STRs, cannot back out onto a street; therefore, there must be an adequate area onsite for a turnaround.

#### **IS DESIGN REVIEW REQUIRED?**

Exterior alterations to a nonresidential building or site (such as changes to parking, landscaping, doors, windows, paint colors, etc.) will require design review approval by the Architectural Board of Review (ABR) or Historic Landmarks Commission (HLC). See the <u>Planning Application Guide</u> for details.

## **GROWTH MANAGEMENT LIMITATIONS**

The City's Growth Management Program, Chapter 30.170 / 28.85, applies to all nonresidential uses, including a change of use from residential to STR. Most lots can convert or add up to 1,000 square feet of floor area to nonresidential use. Lots within the Downtown Development Area are allowed an additional 2,000 square feet.

## WHEN IS A HOTEL CONVERSION PERMIT REQUIRED?

A Hotel Conversion Permit is required if more than one dwelling unit is proposed to be converted to a STR. See SBMC Chapter 30.155 / 28.88 and the <u>Condo & Hotel Conversion</u> Supplemental Application for more details.

#### SETBACKS AND OPEN YARD

Buildings proposed for use as a STR must comply with the required setbacks in the zone for nonresidential uses. Nonconforming buildings may require Zoning Modification for a change of use in the setbacks. If the property is mixed-use (both residential and hotel) changes to required residential open yards may apply.

#### **TENANT PROTECTIONS**

The conversion of an existing residential unit to an STR must comply with the provisions in the Tenant Displacement Assistance Ordinance (TDAO) SBMC Chapter 30.190 / 28.89. A 60-day Notice of Intent must be provided before filing any application, and certification of monetary assistance to all eligible resident households must be provided before permit issuance. Projects that involve more than one unit are subject to the tenant protections in the Hotel Conversion Ordinance SBMC Chapter 30.155 / 28.88.

# **ARE SEPARATE WATER METERS REQUIRED?**

A separate water meter may be required for STRs. Commercial rates will apply to water and sewer usage. Please contact City <u>Water Resources</u> for more information.

# CAN I OBTAIN A PERMIT FOR AN OCCASIONAL STR?

No, converting a residential unit to a short-term rental is a **permanent change** from residential to nonresidential use. The City's Municipal Code does not recognize occasional short-term rentals. Once the residential use has been converted to an STR, it is a legal nonresidential use. If you want to change it back to residential use, you must meet all the residential standards in effect at that time. It may not be simple to convert a building back to residential use.

## **IS A TIME-SHARE ALLOWED?**

If the property functions as a time-share (SBMC §30.300.200 / 28.04.020), it is considered a hotel or similar use subject to the same zoning limitations for hotels and similar uses described in this packet. Hotels and similar uses include auto courts, bed and breakfasts, hostels, inns, motels, motor lodges, time-share projects, short-term rentals or similar use of single or multi-unit residential dwellings, and tourist courts. A residential unit cannot be rented for periods of 30 calendar days or less. Rental units must comply with the minimum lease requirements in SBMC Chapter 26.40 (Required One-Year Lease Offers To Residential Tenants).

## WHAT OTHER CODE REQUIREMENTS MAY APPLY?

The conversion of an existing residential unit to a STR may require additional upgrades, permits, or reviews from other City reviewing agencies, such as fire partitions between sleeping units. Dwellings with six or more sleeping rooms or ten or more occupants with a change in occupancy from permanent to short-term will constitute a change in occupancy from R-3 and R-1. Any alterations may trigger accessibility requirements in the Building Code. Conditions of approval limiting hotel uses may also apply.

## IS A COASTAL DEVELOPMENT PERMIT REQUIRED?

Yes, applications to permit an STR in the coastal zone require a Coastal Development Permit (CDP).

#### WHERE SHOULD I START?

Before you try to convert a property to a STR, applying for a Planner Consultation with the Planning Division is highly recommended. A Planner Consultation is a Pre-Application that provides a focused review of plans or project descriptions to address feasibility questions of STRs. Use the STR Screening Checklist on the following page for the potential permitting process that may apply to your project.

# **STR SCREENING CHECKLIST**

Review the following checklist to determine the level of review needed to permit a Short-Term Rental (STR).

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	1	<b>City Limits.</b> Is the property within the <u>City</u> of Santa Barbara limits? <i>Outcome:</i> If yes, continue with this checklist. If not, contact the relevant jurisdiction (County, etc.).
	2	<b>Coastal Zone.</b> Is the property within the Coastal Zone? <i>Outcome:</i> If the property is in the Coastal Overlay Zone (S-D-3) a Coastal Development Permit is required; submit a Planning (PLN) Application. If the property is not in the Coastal Zone, go to #3.
	3	<b>Zoning District.</b> Is the property in a zone that allows, or conditionally allows, a Hotel use? <i>Outcome:</i> If your location is not in an allowed zone, an STR is not allowed. If a Conditional Use Permit (CUP) is required, submit a Planning (PLN) Application. If the use is allowed in the zone, go to #4
	4	<b>Multiple STR Conversions.</b> Are you converting more than one existing residential unit to a STR? <i>Outcome:</i> If yes, a Conversion Permit is required, submit a Planning (PLN) Application. If not, go to #5.
	5	<b>Unit Size.</b> What is the size of the proposed STR unit? <i>Outcome:</i> If the unit is 1,000 sq. ft. or less, go to # 6. If the unit is between 1,001–3,000 sq. ft., a Development Plan must be approved by design review; submit a Planning (PLN) Application. If the unit is over 3,000 sq. ft., Planning Commission approval is required; submit a Planning (PLN) Application.
	6	<b>Zoning Modifications.</b> Is the STR out of compliance with any zoning standards (setbacks, parking etc.)? <i>Outcome:</i> If yes, a Zoning Modification is required, submit a Planning (PLN) Application. If not, go to #7.
	7	<b>Design Review.</b> Are any exterior site or building alterations required or proposed? <i>Outcome:</i> If yes, design review is required, submit a Planning (PLN) Application. If not, go to #8.
	8	<b>Building Permit.</b> Is construction proposed or does a change in occupancy require a building permit? <i>Outcome:</i> If yes, submit a Building Permit (BLD) Application. If not, go to #9.
	9	<b>Zoning Clearance.</b> Do you have a Zoning Clearance to operate? <i>Outcome:</i> A Zoning Clearance is required for a change from residential to nonresidential use. If a building permit is not required, submit a Planning (PLN) Application to request a Zoning Clearance. Go to #10
	10	<b>Business Tax Certificate and Transient Occupancy Taxes.</b> Have you applied for a business tax certificate and paid your transient occupancy taxes (TOT)? <i>Outcome:</i> Email <u>businesslicense@santabarbaraca.gov</u> requesting a business tax certificate and TOT
		registration form for your STR. Include street address, contact name, and phone number.
	•	<b>Coastal Zone.</b> The Finance Department will confirm with Planning that the STR is in the coastal zone and that there have been no complaints regarding nuisance-like conditions or behavior.
	•	<b>Inland Zone.</b> The Finance Department will confirm with Planning that the STR has the required zoning clearance. If the answer is no, the applicant will be directed to Planning, and no business tax certificate will be provided. The operator must cease STR operations until the required permits are issued.