

Statement of Factual Information:

Whereas:

- 1/ The existing land development laws of the City of Santa Fe (Chapter 14, SFCC1987) prohibit the rental of dwelling units for periods of less than 30-days in the City's residential zoning districts.*
- 2/ It is commonly known that many short term rentals operate in the City's residential zoning districts in violation of the existing City Code.*
- 3/ The City of Santa Fe is the capitol of the State of New Mexico and enjoys worldwide status as a tourist destination; so, short term rentals are very much in demand by visitors.*
- 4/ The City of Santa Fe is not realizing estimated revenues of about \$1,000,000, annually, from all short term rental sources if it does not develop and implement reasonable enforcement procedures in order to properly address this matter.*
- 5/ In addition to concerns by the City of Santa Fe, this issue has created significant concern among various interested parties including but not limited to the neighborhoods where STRs occur; rental and property management firms that manage various vacation rental properties; Home Owners Associations that do not permit short term rentals less than 30-Days; the NM Motel/Hotel Association; the Santa Fe Chamber of Commerce and etc.*

Recommendations by the Short Term Rental Task Force for the Governing Body to consider legal and reasonable ways of addressing this subject.

Note: Short Term Rentals are referred to as: STRs and Property Management Firms are referred to as: PMs.

1/ From all available sources, e.g., but not limited to local telephone directories and web-sites, the City should obtain a current list of all STRs currently operating in the prohibited zones. For example, this information is readily available from one of many specific websites, e.g.:

WWW.VacationRentalsByOwners.Com.

2/ The City should place a series of legal notices in local publications announcing this matter and indicating a deadline for filing an application, e.g., 60-Days, etc.; and the application could be made available on the City's web-site; or obtained at a designation location in the City offices during regular business hours.

All existing individual STR owners/operators, rental and property management firms and all others engaged in the business of short term rentals operating within the existing prohibited zones would provide the City with an application for exemption of permitted use for operation of a short term rental business.

(Two (2) suggested sample application formats are attached.)

3/ Following receipt of the application, a City Inspector would contact the applicant by form letter to arrange for the following inspections to be done within a specified time-period, e.g., 30-60-Days, etc:

A/ Fire Inspection (Per City Health & Safety Code Requirements)

B/ Building Inspection (Per City Code Requirements).

Since the City incurs time & expense for the inspection we suggest consideration be given to setting an "inspection fee," e.g., \$25.00 or \$50.00 &c. as determined to be reasonable by the City.

4/ Following completion of the inspection there should be a specified time-frame wherein the Inspection Department's results are provided to the applicant, e.g., within 30-60-Days, etc.

5/ The City's inspector would provide the applicant with an inspection report advising either compliance or non-compliance.

A/ Applicant's meeting compliance would be issued a Permit for a 12-month Period. We suggest Permits be issued with a common expiry date which would aid the inspection department in monitoring licensing for all STRs.

B/ For applicant's not meeting compliance of Fire and Building Inspection codes, a re-inspection would be granted; and the City's Inspection Department could grant the STR a specified time-frame, e.g., 60-Days, etc., in order to meet the City's specific code requirements.

C/ An extension for meeting the City's code requirements would be subject to the Inspection Department's approval for an additional specified time-period, e.g., 30-60-Day, etc.

D/ For applicant's not meeting compliance of the City's Fire and Building Inspection codes we suggest the City's Inspection Department establish an "appeals process" with details to be developed by this department.

If the applicant meets the City's code compliance the permit can be issued. If the applicant does not meet the City's code compliance a registered letter of denial should be sent to the applicant stating the reasons for not being granted a permit.

E/ For Applicant's meeting compliance, we suggest a license permit fee of \$25.00 for a 12-month STR permit and the license permit could have a common expiry date, e.g., the City's fiscal year, or a calendar year.

6/ The permit would be subject to annual review by the City Inspection Department for either renewal or revocation. The permit should state at anytime during the permit period, if the City receives any reports of code violations or complaints, the City reserves the right to re-inspect the premises having first provided advance written notice, e.g., 30-60-Days, etc., for the re-inspection.

Since the City incurs time & expense for re-inspections we further suggest consideration be given to a "re-inspection fee," e.g., \$50.00 or a sum deemed to be reasonable by the City.

7/ The City should require the License Permit be posted in a conspicuous place on the applicant's premises. And, the City should also require the STR property owner or operator to post the name/address/phone/email address of a contact person available to the renter or City within 24-hours.

8/ Upon issuance of the permit, the City should consider requiring the STR applicant to post a License Permit Bond which would serve to guarantee payment of the Lodger's Tax to the City. The bond penalty sum should be established by the City but we suggest at least, \$5,000.

9/ All owners/operators of STRs, including rental agents and PMs shall abide by all current and amended statutes, rules and regulations governing the reporting and payment of both the Gross Receipts Taxes and Lodgers' Taxes to the appropriate regulatory bodies.

As both City of Santa Fe and State of New Mexico Statutes apply to the reporting, payment and regulation of these taxes, the applicants should contact the appropriate authorities regarding any questions about procedures and requirements for tax payments.

10/ For complaints and violations of City codes pertaining to the operation of STRs, the City should have a "complaint process," so the City's Inspection Department can intervene for both investigative and resolution purposes. Attached is a suggested "complaint form."

11/ The minimum number of days suggested for STR operations is once a week with a four (4) day minimum stay.

12/ The City must agree to honor and respect all existing By-laws, R&Rs for any H.O. Associations within the existing prohibited zones in question wherein those H. O. Associations currently do not permit short-term rentals of less than 30-days.

Respectfully Submitted, this 1st day of June, 2006.

*By: Richard L. Martinez, Committee Member
Janet Reed-Rousselot, Committee Member*
