Vacation Rental Tax Discussed For Contra Costa County

The Board of Supervisors is weighing options for new regulations on short-term rentals.

CONTRA COSTA COUNTY, CA — The Contra Costa County Board of Supervisors heard a pair of reports this morning on their options for new ordinances that would affect short-term rental operators such as Airbnb hosts in unincorporated areas of the county.

The first report centered on the question of whether to impose a hotel-style transit occupancy tax of 10 percent on proceeds from short term-rentals. There are roughly 200 of them in the county's jurisdiction, and those properties could generate $75,000 on an annual basis, according to county conservation and development director John Kopchik.
District 1 Supervisor John Gioia pointed out that the county's estimate was conservative, and that revenues could be higher, which Kopchik confirmed.

The ordinance, if passed, would not affect rentals within cities or other incorporated areas of the county. Those jurisdictions would have to pass their own ordinances in order to enact such a tax.

The board also heard a report on the county's options for an overall ordinance regulating the burgeoning short-term rental industry.

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Much of the discussion focused on how to balance the benefits of the short-term rental industry against the need for affordable housing in Contra Costa County, as well as how to mitigate any impacts on neighboring residents.

Gioia referenced parking availability in the Kensington area as an issue that might occur in some parts of the county but not others.

"I'm not sure any one approach works everywhere," he said.

After considering similar ordinances in Richmond, San Francisco, San Mateo, San Luis Obispo and Sacramento, county staff identified a number of regulatory mechanisms that are now up for consideration by the board.

Among them were restrictions on the number of days a property could be rented each year and requirements that property owners register with the county as well as obtain a business license or permit.

They might also require property owners to notify neighbors of their intention to list a residence as a short-term rental, and give those neighbors an opportunity for public input.
There may also be limits on the number of allowable guests per stay, requirements for property owners to regularly report how many days the property has been rented in a given period, and a prohibition on renting any unit subject to an affordable housing agreement.

Landlords could also be prohibited from operating more than one short-term rental in Contra Costa County.

Some of the board expressed an interest in keeping the ordinance flexible as the short-term rental industry continues to evolve.

"Since this is kind of a relatively new kind of business ... I think we may see more changes in the next five years," District 3 Supervisor Diane Burgis said.

The topic is expected to go before the board again in February 2018.

By Bay City News Service