



Agenda Report

Fullerton City Council

MEETING DATE: DECEMBER 15, 2020

TO: CITY COUNCIL / SUCCESSOR AGENCY

SUBMITTED BY: KENNETH A. DOMER, CITY MANAGER

PREPARED BY: MATT FOULKES, COMMUNITY AND ECONOMIC
DEVELOPMENT DIRECTOR

SUBJECT: SHORT-TERM RENTAL PERMIT FEES

SUMMARY

Consideration of a Resolution establishing the fee amounts for short-term rentals pursuant to Ordinance No. 3290.

RECOMMENDATION

1. Adopt Resolution No. 2020-XX.

RESOLUTION NO. 2020-XX - A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF FULLERTON, CALIFORNIA, ESTABLISHING AND ADOPTING THE SHORT-TERM RENTAL PERMIT AND RENEWAL FEES PURSUANT TO ORDINANCE 3290

2. Approve Granicus master subscription agreement for host compliance.

PRIORITY POLICY STATEMENT

This item matches the following Priority Policy Statement:

- Fiscal and Organizational Stability.

FISCAL IMPACT

All costs associated with the permitting and renewal process for Short-Term Rental Permits will be fully recovered through fees paid by the short-term rental operators. The fees were established through the City Council approval of Ordinance No. 3290, this action is to set the amounts of those fees based on the actual cost (labor and materials) to perform the requested services.

DISCUSSION

The City Council approved (first reading) Ordinance No. 3290 at its meeting on October 20, 2020, and second reading on November 2, 2020. Ordinance No. 3290 created the Short-Term Rental Permit fee and Short-Term Rental renewal fee, but did not specify the fee amounts. Although not legally required, out of an abundance of caution, a public hearing to adopt fees pertaining to the implementation of the City's short-term rental ordinance (Ordinance No. 3290) pursuant to Government Code Section 66014 and 66018 is being conducted. The proposed fees are to fully recover the costs (labor and materials) required to provide the referenced services. Based on the estimated labor and materials required to provide the short-term rental activities, the recommended fees are as follows:

- Short-Term Rental Permit Fee (one-time fee) = \$425.00
- Short-Term Rental Permit Renewal Fee (paid annually) = \$85.00

The fees have been established based upon the staff time required to process the Short-Term Rental application. Once a site is approved by the City, the Short-Term Rental program will be monitored by Host Compliance, a third party company. Host Compliance will provide a 24 hours 7 day a week dedicated hotline for reports of any issues, ensure the applicants are following the guidelines and the City is receiving the transient occupancy tax.

The City reviewed how surrounding cities have implemented the Short-Term Rental programs. Host Compliance is the premier company to oversee the program due to the service level provided to the community. The City is utilizing the National Cooperative Purchasing Alliance (NPCA) that allows for a cooperative purchasing power of numerous cities to ensure the lowest fees. The annual cost of Host Compliance is part of the proposed permit fees.

Attachments:

- Attachment 1 – Resolution No. 2020-XX