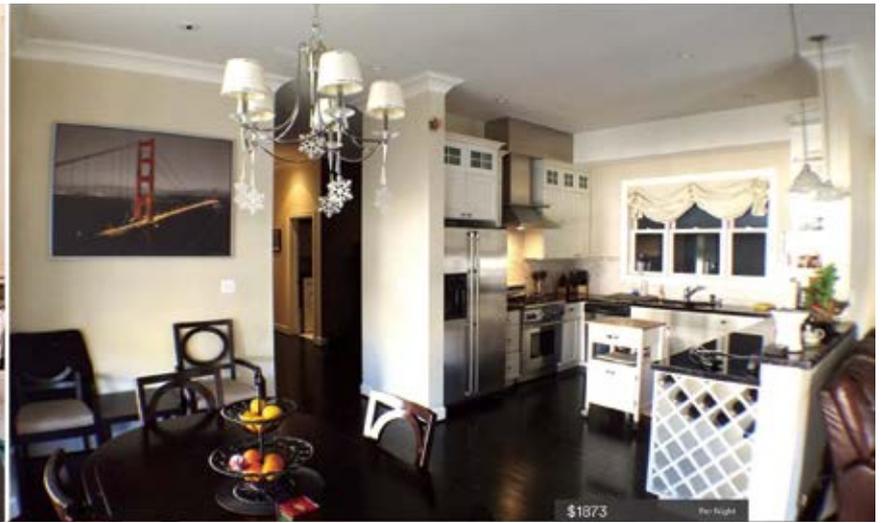


Most Tenderloin Airbnb rentals scofflaws



Among Airbnb's 8,000 S.F. listings, 210 are in ZIP codes 94102 and 94109, which comprise the Tenderloin and some surrounding neighborhoods. Hosts describe their listings, but do not include addresses, making it tough to pinpoint exact locations, so *The Extra* looked at all the listings in both ZIP codes and noted the lowest- and highest-priced units. Cheapest, left, is a "room with pool+fitness downtown" for \$89 a night. Priciest, right, is a "modern 3bd near Super Bowl City" for \$1,873 per night.

Just 2 of 210 neighborhood sites registered with the city

By JONATHAN NEWMAN

DESPITE CITY EFFORTS to regulate the short-term rentals of San Francisco's estimated 8,000 residential units posted on Internet-hosting venues — spaces once viewed as a cornerstone of long-term housing — thousands of property holders continue to ignore the new rules.

Last year, Budget Analyst Harvey Rose released a report that pegged San Francisco's total rental units at 244,012. While short-term rentals are a small portion of that total, they represent a significant portion of an estimated 8,438 vacant units that could help ease San Francisco's housing crisis.

Only 1,680 applicants have sought city approval to rent their residential spaces short-term, according to the Office of Short-Term Rentals. Of those, 1,118 have been approved, 365 rejected with 197 pending.

Just two of the 210 Airbnb rentals listed in Tenderloin ZIP codes are registered with the city.

In October 2014, scrambling to ad-

dress the raging housing crisis, the Board of Supervisors, led by then-President David Chiu, acknowledged the erosion of housing stock unleashed by property holders using Internet-hosting platforms like Airbnb, HomeAway and its subsidiary, VRBO, to book their available spaces as short-term rentals — a process dubbed "hotelization."

Rather than punish the thousands of scofflaws who were profiting by violating the decades-old Residential Rent Stabilization and Arbitration Ordinance, which prohibited short-term rental without strict review and licensing, the board chose instead to regulate the conversion practices and widen the pipeline of revenue flowing to the General Fund. Better to offer property holders — both landlords and tenants — a chance to come in out of the cold, the board reasoned.

Key elements of Chiu's legislation allowed a permanent city resident to offer some or all of a primary residence as a short-term rental under certain conditions: The permanent resident occupies the primary residence for at least 275 days in the calendar year in which the space is rented short-term, collects and remits to the city the required transient occupancy tax of 14% of the rent charged, and obtains a registration number from City Planning, which must be listed on any Internet platform used to book temporary guests.

No one had to account for past transgressions, just come on board.

The city's proffered carrot of compliance isn't drawing large numbers. On March 22, OSTR held an all-day registra-

tion drive at City Hall. Fewer than 10 people showed. Kevin Guy, the agency's director, diplomatically noted: "The event was lightly attended." Still, the outreach efforts will continue. Another open house application drive is scheduled during the Earthquake Retrofit Fair on April 18.

The Office of Short-Term Rentals might be forgiven its growing pains. It has only been operating for eight months and is toe-dipping — just starting to wade into the three-year rolling surf of city Airbnb policy and politics.

Supervisor Mark Farrell and Mayor Lee introduced the idea for the new office last April, a month after Farrell hosted hearings about how to enforce the just-passed rental regulations. He got an earful from housing and tenant activists, home sharers, private developers and city staff, then put together amendments to the new rental laws. One was to create "a single location" where the public could get help meeting the regulations and staff could identify and pursue hosting violators.

It opened July 30, three months after it was approved, with a staff of six — three each from the Planning Department and the city administrator's office. The budget for this fiscal year — \$306,351 — is less money than the allotment for sign code enforcement.

Last year, master's students in the Department of City and Regional Planning at U.C. Berkeley reviewed the major Internet-hosting platforms and estimated 8,000 short-term rentals in San Francisco were listed on Airbnb and other venues. The students also found in plain view 550 property holders offering multiple rental sites — an apparent flouting of the

law's primary residence provision.

Airbnb, known for corporate arrogance and a cultivated deafness of tone in replying to public concerns, now seems ready to acknowledge there are hosts listing multiple properties on its platform. In early April, Airbnb issued partial data from a self-review that identified more than 670 suspicious listings controlled by nearly 290 hosts. Airbnb told the Chronicle it intends to ax these apparent law violators from its site.

Airbnb won't release any information on the suspicious hosts, nor does it currently plan to block site access to hosts who don't display a city-issued registration number. The hosting giant claims it has privately removed more than 215 listings from its San Francisco site in the past 15 months.

A recent informal review of Airbnb listings by *The Extra* revealed that in the two main Tenderloin ZIP codes there was a range of offerings, from studios, condos and full homes to standard hotel rooms. The Airbnb site disclaims "The Tenderloin is not the most savory cut of meat." Of the 210 listings, only two displayed registration numbers. More than 25 listings were standard hotel offerings. The cheapest listing — a Tenderloin studio on O'Farrell Street with a rooftop pool available at \$89 a night. The priciest — a three bedroom on Russian Hill for \$1,878 a day.

The city has initiated 349 enforcement cases; nearly half remain open investigations. The office has closed 141 cases with a multitude of results: 46 cases involving 76 dwelling units were concluded with the imposition of fines. OSTR reports that it has assessed penal-

▶ CONTINUED ON PAGE 7

CENTRAL CITY

EXTRA

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CENTRAL CITY EXTRA is published monthly by the nonprofit San Francisco Study Center Inc., serving the community since 1972. The Extra was initiated through grants from the S.F. Hotel Tax Fund and the Richard and Rhoda Goldman Fund. The contents are copyrighted by the San Francisco Study Center, 1663 Mission Street, Suite 310, San Francisco, CA 94103.

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ONLINE PARTNER: Hoodline

CENTRAL CITY EXTRA is a member of the

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