

# Exhibit F

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STR Regulation Category	Preliminary Draft Ordinance Recommendation	Consideration of Advantages	Consideration of Disadvantages	San Francisco & Pacific Grove Ordinance Considerations	STR Workgroup Outcomes (Final Summary 7/1/2016)	Monterey County Vacation Rental Alliance (July 3, 2015 Memo; May 4, 2017 Review of 4/4/17 STR Memo/Draft Ordinance)	Monterey County Hospitality Association (STR Policy 10/10/17)
<b>Suspension, Revocation, Prohibition</b>	Hearing officer may suspend, revoke or prohibit a STR business license based on specific criteria.	Allows for broad enforcement consequences for ordinance violations, yet allows for due process and discretion through the administrative hearing process.	Action to suspend/revoke/prohibit is not immediate.		<b>Note:</b> Group generally agreed that revocation should be a part of the overall violation enforcement plan, but with allowance for major and minor types. Popular example was: 3 strikes for minor (verified) violations and instant revocation for 'major' violations. Minor violations ("strikes") would be over the life of the permit, not restarted every year. This was a critical issue identified by the group that should be carefully considered and laid out in an ordinance; agreement on what constitutes a major versus minor violation was not achieved.	A dedicated, full-time enforcement officer is needed. This staff person will make short-term rental issues his or her single focus, with the person being based in the coastal area where most (though not all, by any means) of the short-term rentals are currently taking place. There must be easy to implement procedures to revoke short-term and vacation rental permits where violations have occurred, with significant fines for operating an short-term rental without a permit. Again, the point is not to drive the new sharing economy underground, but to recognize that the sharing economy is here, and then to regulate it with effective rules, and dedicated enforcement staff.	Enforcement of all state and local regulations, including collection of Transient Occupancy Taxes and similar fees (business licenses, operating permits, etc.) has to be an integral part of the program. Designated staffing and long-term funding are expected to be allocated for STR enforcement
<b>Fines for Violations</b>	1st: 400% advertised rental rate (ARR) or \$1,000 if no ARR 2nd: 600% AAR or \$2,500 if no ARR Each additional: 800% of ARR or \$5,000 if no ARR	Establishes significant fines based on advertised rental rates, so fines are commensurate with the rental rate. Provides a alternative fine when no rental rates are available.	None		<b>Note:</b> Group genrally agreed that flat rate penalties/fines far superior to rental receipts, since collecting receipts will incentivize cheating or concealing records. Per day advertising of a non-permitted unit is not reliable for assessing fines - some software and websites make you list daily rates even if you don't rent by day (or for fewer than 30 days).	...significant fines for operating an short-term rental without a permit. Again, the point is not to drive the new sharing economy underground, but to recognize that the sharing economy is here, and then to regulate it with effective rules, and dedicated enforcement staff.	
<b>Advertisement</b>	No person or entity shall maintain any advertisement sof rental prohibited by this Chapter.	Makes advertising without a permit prohibited.	None			Once the new system is in place, any advertising of a non-permitted short-term rental would be against the law, and could be promptly and easily enforced.	

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