

Short-Term Rentals

Why
STRs?

Implementation

Zoning

Registration

Code
Compliance

Examples
Cities

Staff
Recommendation

Possible
Further
Limits?

Why STRs?

- It's happening regardless of City bans
- Can generate financial resources for City through TOT
- Provide income opportunities for homeowners
- Impacts are reduced when we regulate rather than ban

Implementation

- Amend Municipal Code
 - Zoning
 - Business Licensing
- Time frame
 - 9 months to 1 year
- Proactive/Education

Responsible
Departments

Online Interface

Responsible Departments

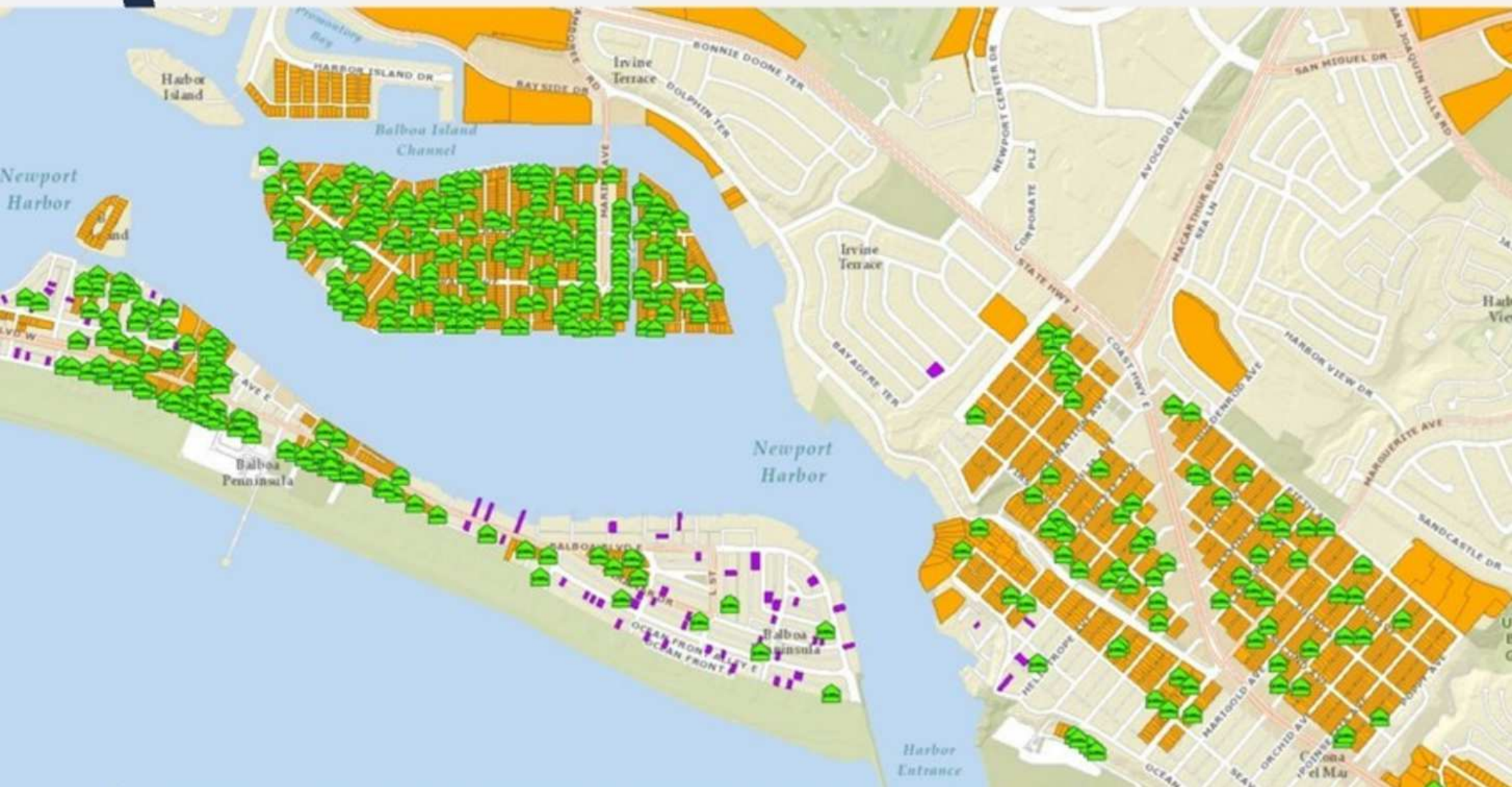
- Community Development
 - Code Enforcement
 - Planning
- Finance
- Police
- Fire
- Potential STR Task Force

Online Interface

- City staff can use to track and manage STR program
- STR host can use to apply and comply with program regulations
- General public can use to verify STR, submit complaints, etc.

Sample
Interface

City of Newport Beach Short-Term Rental Map



Zoning



```
graph LR; Z((Zoning)) --- C1((Current Zoning)); Z --- C2((Unit Types)); Z --- C3((Limits)); Z --- C4((Parking)); Z --- C5((Safety)); Z --- L1[• Unit Types]; Z --- L2[• Locations]; Z --- L3[• Limits]; Z --- L4[• Parking]; Z --- L5[• Safety];
```

- Unit Types
- Locations
- Limits
- Parking
- Safety

Current
Zoning

Unit Types

Limits

Parking

Safety

Zoning

Visitor Accommodations	CL	CC	CG	CD	CNE
Hotels, Motels, Time Shares	-	U	U	U	U
Residential Hotels	-	-	U	-	-

U = Use Permit required

- Currently, no transient occupants permitted in residential zones for less than 30 days.

Housing Stock Definitions

- **Dwelling Unit:** One (1) or more rooms with a single kitchen, designed for occupancy by one (1) family (single housekeeping unit) for living and sleeping purposes. **(10.04.030)**
 - **Multi-family:** A building containing two (2) or more dwelling units.
 - **Single-Family:** A building containing one (1) dwelling unit.
- **Rental Unit:** A single housekeeping unit, other than owner occupied units, that is rented out for longer than 30 days and is done so for compensation.
- **Single Housekeeping Unit:** A traditional family or the functional equivalent of a traditional family who jointly occupy a single dwelling unit.
- **Accessory Dwelling Unit (ADU):** A dwelling unit on the same parcel as a single-family dwelling. Maximum 700 square feet and if attached to the primary residence, no more than 50% of primary residence's living area. **(ORD 17-0032U)**
- **Guest House:** Any living area which does not have direct interior access to the dwelling unit. Kitchen facilities not allowed. Shall not be rented or used as a separate dwelling unit. Permitted only on lots with one single family residence, 500 square feet maximum, single room, 3 plumbing fixtures. **(10.04.030)**

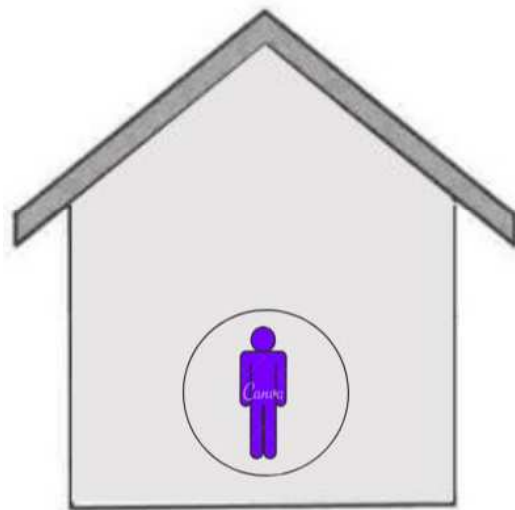
Short-Term
Rental Guests

Hosted
Stays

Un-hosted
Stays

Short-Term Rental (STR) Guests:

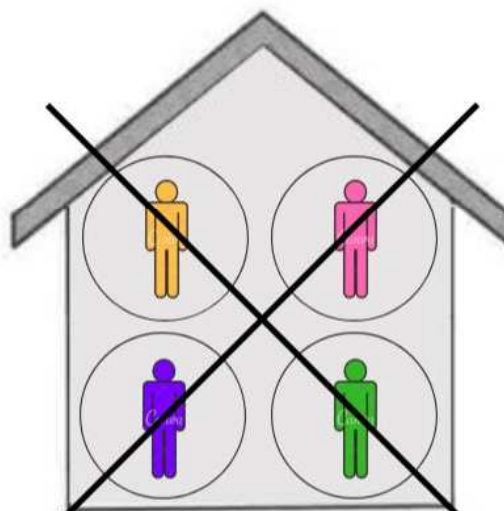
(House, Condo, or ADU)



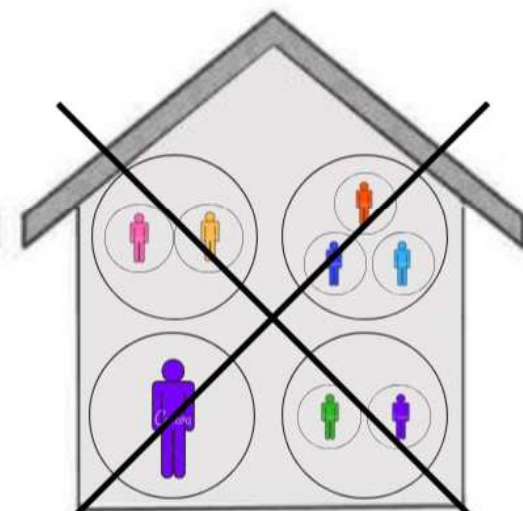
- **Individual** STR guest occupying dwelling unit
- **Single Agreement**



- **Single Housekeeping Unit**
- **Multiple STR Guests** who jointly occupy a single dwelling unit as a traditional family or equivalent (as defined in the MC)
- **Single agreement** with joint responsibility for the premises



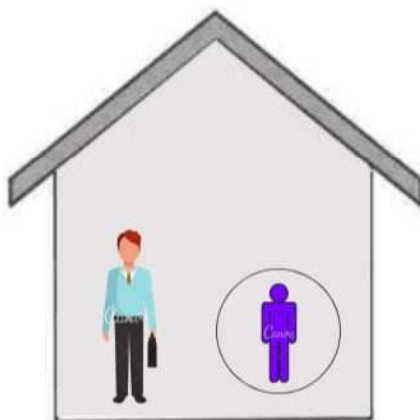
- **Multiple, Individual STR Guests** each occupying a single room within a dwelling unit; with possible joint use of common areas
- **Multiple agreements**



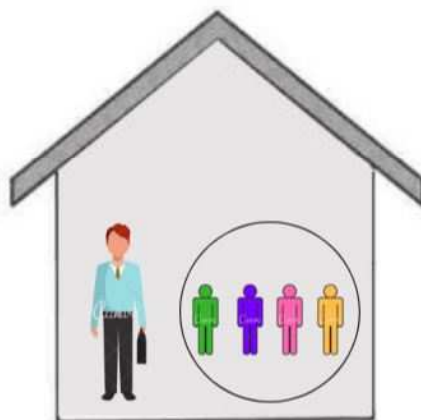
- **Hostel**
- **Multiple, Individual STR Guests** leasing space inside rooms in a single dwelling unit
- **Multiple agreements**

Short-Term Rental (STR) Hosts:

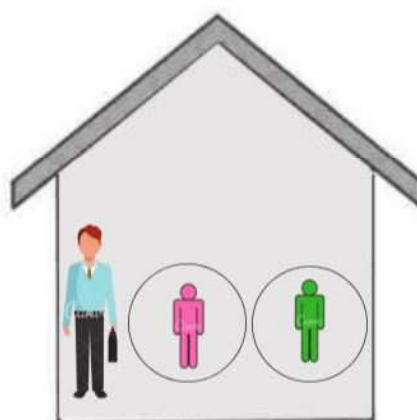
Hosted Stay: Host remains on-site throughout the guest's stay



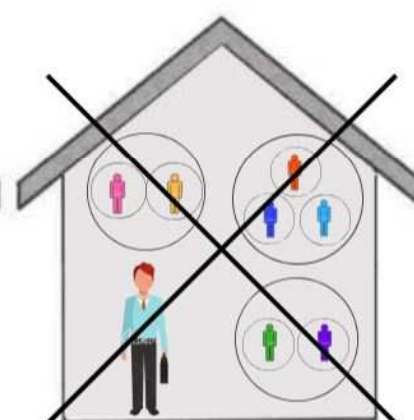
- **Individual STR guest** occupying dwelling unit
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- **Single Housekeeping Unit**
- **Multiple STR Guests** who jointly occupy a single dwelling unit as a traditional family
- **Single agreement** with joint responsibility for the premises



- **Multiple, Individual STR Guests** each occupying a single room within a dwelling unit; with possible joint use of common areas



- **Hostel**
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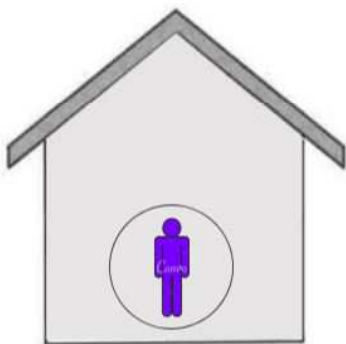
Home-Sharing: An accessory use of a primary residence for the purpose of providing temporary lodging, for compensation, for periods of 30 days or less.

Short-Term Rental (STR) Hosts:

Un-hosted Stay: Host remains off-site throughout the guest's stay



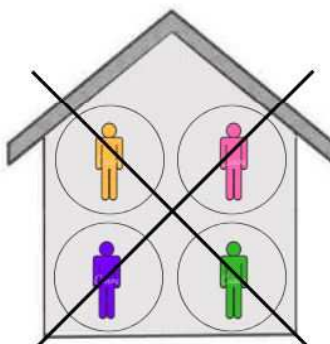
Host is out of town



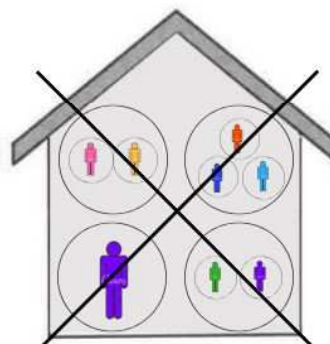
- **Individual** STR guest occupying dwelling unit
- **Single Agreement**



- **Single Housekeeping Unit**
- **Multiple STR Guests** who jointly occupy a single dwelling unit as a traditional family
- **Single agreement** with joint responsibility for the premises



- **Multiple, Individual STR Guests** each occupying a single room within a dwelling unit; with possible joint use of common areas
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- **Hostel**
- **Multiple, Individual STR Guests** leasing space inside rooms in a single dwelling unit
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Limits

- **Owner-occupied for minimum of six months per year**
- **Four months per year; not to exceed once every three months**
- From 2012-2016, when STRs were allowed, the City collected \$91,000-\$156,000 in annual TOT revenue
- City required homeowners to obtain business license and remit TOT to the City

Parking

- One on-site parking space required
- Parking requirement will be confirmed during site inspection

Safety

- Life safety codes
- Smoke detectors
- Fire extinguishers
- Emergency exit plans

Registration



Code Compliance

- Monitoring
- Inspection(s)
- Proactive Enforcement
- Penalties/Revocation
- Police Enforcement

Monitoring

Inspection(s)

Proactive
Enforcement

Penalties/
Revocation

Police
Enforcement

Monitoring

- Monitor registered properties to ensure rentals are occurring on months applied for
- Search online hosting platforms for listings of properties that have not applied for STR license

Inspections

- Verify Zoning District
- Verify Hosted or Un-hosted location
 - If un-hosted, ensure only one housekeeping unit at a time
- Ensure the unit stated on application is the one being rented
- Inspect unit for safety
- STR sign shall be posted on exterior of unit within plain view for the general public

Proactive Enforcement

- Once a month spot check on Friday or Saturday to monitor registered STR's for noise, parking issues, or other violations

Penalties/ Revocation

- First violation in any 12 month period, penalty shall range from notice of violation to an administrative fine not to exceed \$1,000
- Second or Third violation within a 12 month period, penalty shall range from an administrative fine not to exceed \$1,000 to revocation of license
- Fourth violation within a 12 month period, license shall be revoked
- Administrative Citations will be issued to owners/agents that have not applied for STR license
- Owner/agent assumes responsibility for all of guest's activities; violations may result in citations issued to owner and/or guests with fees set forth by City Council

Police Enforcement

- Respond to public nuisance complaints made after-hours by residents
 - ex. noise, illegal parking, disorderly conduct, consumption of alcohol or the use of illegal drugs, vandalism

STR Examples

- Neighboring Cities
- Other Coastal Cities
- Coastal Commission Supported STR Regulations
- Non-Coastal Cities

Neighboring
Cities

Other
Coastal
Cities

CCC
Supported
Regulations

Non-Coastal
Cities

Neighboring Cities

STR Prohibited (Residential)

- Hermosa Beach
- Redondo Beach
- Palos Verdes Estates

STR Unregulated

- Torrance
- El Segundo

Loud and
Unruly
Gathering
Ordinance

El Segundo Proposed Ordinance

- Hold residential property owners/responsible parties for loud or unruly gatherings
- Proposed fines:
 - \$2,500 for 1st offense
 - \$5,000 for 2nd
 - \$7,500 for each additional offense within 12 months
- Defined loud or unruly conduct:
 - Loud noise, obstruction of street or public ROW, public intoxication, disturbances of peace, vandalism, litter, trespassing, illegal drug use, etc.
- Police peace officer citation; Code Enforcement follow-up, investigate, implement citation
 - Track repeat offenders
- Further consideration at 7/17/18 City Council Mtg

Other Coastal Cities

STR Permitted

- Newport Beach
- Carlsbad
- Del Mar (pending CCC approval)
- Laguna Beach (pending CCC approval)
- Malibu (in process of citywide ban in residential)

Home Sharing (Similar to Hosted Stay)

- Santa Monica

STR Prohibited

- Huntington Beach

CCC Supported STR Regulations

- Limit total number of STR allowed within certain areas
- Limit types of housing that can be used for STR
- Limit maximum occupancy
- Limit amount of time a unit used as STR during a given time period
- Require 24-hour management and/or response
- Require on-site parking, garbage, and noise regulations
- Signage requirements and rental agreements
- Payment of Transient Occupancy Tax (TOT)
- Enforcement protocols (e.g., requirements for responding to complaints, enforcement of violations of requirements, revocation of permits, etc.).

Non-Coastal Cities

- Palm Springs
- Big Bear & Big Bear Lake
- Pasadena
- Sacramento

Staff Recommendations

- Limits:
 - Owner-occupied six months per year
 - STR four months per year
 - Designate calendar month @ time of application
- Unit Types:
 - (Un-hosted) primary residence
 - Guest house permitted; ADU prohibited
 - Multi-family prohibited
 - One STR per property
 - One housekeeping unit at a time
- Parking:
 - One on-site parking space required

Possible Further Limits?

- Different sections of City?
 - Tree, Sand, East, etc.?
 - Only on The Strand?
- Limit number of STR on each street or block?
- Distancing requirement?
- Less Limits?