

Agenda Date: 3/6/2018

TO:

Honorable Mayor and Members of the City Council

THROUGH:

Bruce Moe, City Manager

FROM:

Anne McIntosh, Community Development Director

Andy Sywak, Community Development Project Manager

SUBJECT:

Discussion Regarding Short-Term Rentals (Continued from the February 6, 2018 City Council Regular Meeting) (Community Development Director McIntosh).

DISCUSS AND PROVIDE DIRECTION

RECOMMENDATION:

Staff recommends that the City Council:

- 1) discuss goals and concerns of a short-term rental policy;
- 2) review and discuss policy/program options for short-term rentals, including adopting the last Planning Commission recommendation; and
- 3) provide direction for Zoning Code and Local Coastal Program (LCP) Amendments. Based on the results of the discussion, staff can return with an ordinance based on City Council input and suggestions.

EXECUTIVE SUMMARY:

In June 2015, the City Council approved amendments to the City's Municipal Code reinforcing the City's Zoning Code prohibition of short-term vacation rentals in Residential Zones. (Short-term rentals are permitted in the commercial zones.) In a strategic planning session in May 2017, the City Council directed staff to revisit this policy.

Although short-term rentals have revenue potential through Transient Occupancy Tax (TOT) collection, there remain many questions about the most effective ways to enforce regulations. To prepare for this discussion, the City Council requested that staff look at options for possibly allowing limited short-term rentals, while minimizing impacts to residential neighbors and enhancing revenues.

FISCAL IMPLICATIONS:

With the current prohibition, the City currently receives no Transit Occupancy Tax (TOT) from short-term rentals.

If permitted, the City would receive TOT. Any increase in revenue would depend on the number of registered property owners who would be allowed to host short-term rentals, and under what circumstances. Staff has been actively involved with the South Bay Cities Council of Governments (SBCCOG) Short-Term Rental Taskforce and has also met with representatives from hosting platforms to discuss the evolving best practices for local short-term rentals.

If short-term rentals are permitted and regulated, additional resources would be needed to administer the program, primarily in the Community Development Department. Code Enforcement officers would be responsible for ensuring compliance with any regulations adopted by the City. By way of example, the City of Santa Monica (albeit a larger City) hired two additional full-time Code Enforcement officers to handle enforcement of short-term rentals. Other cities have outsourced some enforcement and administrative functions. Staff would recommend that a registration fee be charged to operators to offset the cost of one full-time staff position to run the program, as well as any administrative and support costs.

BACKGROUND:

In May 2015, the Planning Commission considered a number of Zoning, Municipal Code and Local Coastal Program amendments, including regulations for short-term and vacation rentals. Transient uses, including short-term rentals, are uses of property for less than 30 days. They are considered commercial uses and therefore not permitted in residential zones. The Planning Commission recommended that the Code be amended to allow a set number of short-term rentals, limited to once within a three-month period, for a total of four short-term rental uses per property within a 12-month period.

The City Council reviewed the Commission recommendation in June 2015. Residents expressed concerns with allowing short-term rentals due to loss of neighborhood character, difficulty with enforcement, and adverse impacts including noise, trash, crime, traffic and parking. Operators of short-term rentals also provided public input, stating that they had strict background checks and contracts that they felt had successfully controlled any adverse impacts. The City Council discussed potential impacts to quality of life; health and safety issues; the importance of protecting the character of the City's residential neighborhoods; and enforcement concerns. So, instead of allowing transient uses on a limited basis, the City Council reinforced the prohibition on transient uses in residential zones.

A coordinated enforcement effort to address short-term rental impacts in residential neighborhoods was then initiated based on City Council direction. Staff also submitted the Code Amendments to the California Coastal Commission (CCC) for certification. Then, they met with the CCC staff to discuss the amendments. The CCC staff recommended that some level of short-term rentals be allowed to enhance visitor-serving uses in the coastal zone, and they provided information on different options that other cities had successfully used, as discussed below. They emphasized that the program should be tailored to the specific needs of the community. Staff has also been attending monthly SBCCOG Short-Term Rental Task Force

meetings, participating in webinars and other trainings, and worked with the City Attorney's office to understand how other cities are addressing short-term rentals and current best practices for how they are regulated.

DISCUSSION:

The City Council should consider a number of factors when determining which short-term rental policies to adopt.

Models use by other Cities

Cities across the world have reacted to regulating short-term rentals in different ways.

Cities may adopt more than one type or class of licenses for different areas of the city. For example, the City of Pacific Grove has two different types of licenses, Type A and Type B. Both types allow for rental up to 90 days per year, but Type A has a cap of 250 licenses throughout the City and a maximum density of 15% of the parcels on a given block, while Type B has no cap or density limits. Signage is required to identify the short-term rental from the street, and the City has a hotline number to field all complaints.

Cities are also incorporating pages on their website to allow the public to look up which homes are legally permitted to host short-term rentals. The City of Pacific Grove lists available properties as does the City of Newport Beach. Both cities display this information on a map (Attachment 3).

Throughout the country, cities have tried various regulatory approaches to short-term rentals including limiting the area in which licenses may be issued. For example, the City of Newport Beach does not allow licenses to be issued to properties in single-family residential zones. Santa Cruz County allows licenses in all districts which permit stand-alone residential uses but requires signage identifying the structure as a vacation rental, which includes local contact information for responding to complaints.

Palm Desert and Palm Springs have good neighbor policies that are required to be incorporated into rental agreements, and Nashville requires that property owners have commercial liability insurance. San Francisco requires hosts to have property liability insurance in the amount of no less than \$500,000 or provide proof that they have property liability coverage in an equal or higher amount provided by the hosting platform through which they rent their unit. Seal Beach issued conditional use permits for a limited number of short-term rentals, provided that the property had adequate on-site parking to accommodate guests.

Pasadena

The City of Pasadena recently passed a short-term rental ordinance that went into effect in February of this year (Attachment 4). This ordinance allows for short-term rentals in a host's primary residence which is defined as a home where the host lives for a minimum of nine months per year. Short-term rentals are permitted in single-family residences, duplexes, condominiums, townhomes and multi-family rental units. Tenants have the right to lease out their units but only with the permission of their landlords.

In order to be able to lease their unit out for short-term rentals, hosts must obtain a short-term

rental permit and obtain a Transient Occupancy Registration Certificate from the Finance Department. Hosts must also sign a notarized affidavit attesting that the short-term rental unit is his/her primary residence and that the local responsible contact person or property management company will be available 24 hours a day. The City of Pasadena is working with Host Compliance, a private vendor specializing in assisting municipalities with their short-term rental laws, to create an online portal and application process.

The ordinance does not allow for short-term rentals to occur in vacation rentals which is defined as a “dwelling unit that is not a primary residence and which is available for temporary lodging.” It also does not allow for short-term rentals in accessory dwelling units (ADUs) permitted after January 1, 2017, although it does permit them in ADUs constructed or permitted prior to this date.

California Coastal Commission Resistance to Outright Bans

Cities that have bans on short-term rentals in residential zones have been met with resistance from the California Coastal Commission (CCC). The CCC has not approved LCP amendments that the CCC considers overly restrictive short-term rental bans in: Encinitas, Imperial Beach, Pismo Beach and, most recently, Laguna Beach.

Manhattan Beach Planning Commission Recommendation

In 2015, the Planning Commission recommended that transient uses be allowed no more than four times per twelve-month period. It did not have provisions related to occupancy in each unit, signage, cap or density limits, insurance or any of the other standards mentioned above. Any violations related to noise, trash, parking and other neighbor impacts would be handled through the existing Municipal Code criteria. The City Council did not approve the Planning Commission’s recommendation.

Code Enforcement

Responsibility for enforcing the short-term rental regulations lies within the Community Development Department’s Code Enforcement division. Code Enforcement officers principally enforce the standards on a complaint basis. The enforcement involves visiting the site, contacting the tenants and online research. Once confirmed, the owner of the short-term rental that is the subject of the violation receives a letter from the City Attorney and/or an administrative citation. Per administrative citation regulations, the City has been fining violators \$1,000 per violation. From September of 2016 to December 2017, there were a total of 58 reported cases with 26 currently open and 32 being closed.

Cities have employed different methods for dealing with short-term rentals. Some have hired consultants to discover and follow through on violations. For example, Hermosa Beach has hired the private vendor, Host Compliance, to help with monitoring of rentals and other compliance issues. This proprietary software allows them to identify an address from an advertisement. Host Compliance sends out the first two initial letters on City of Hermosa Beach letterhead to violators with the City doing the follow-up. Using this approach, Host Compliance soon mailed out 200 warning letters to violators when enforcement commenced on August 30, 2016. Charges are based on the number of units they identify. The service cost the City \$25,000 for the first year and \$10,000 for the second year.

A large part of the enforcement problem with short-term rentals is due to their widespread popularity and what many believe to be the inevitability of their continued use. With several home-sharing platforms in existence (Airbnb, Homeaway, VRBO, etc.), strict enforcement on home-sharing economic activity can result in the activity migrating to a different website or platform with homeowners continuing to advertise and host guests.

Continued advertisement of short-term rentals online in cities with a full ban demonstrates that enforcing a full ban is difficult. Based upon the experience of other cities, allowing limited short-term rentals with a registration requirement will be easier to enforce. However, additional code enforcement personnel may be needed to run the registration and monitoring. As is true with all enforcement of all Code restrictions, voluntary compliance and vigilant neighbors is essential.

Platform Accountability

The City of San Francisco has signed agreements with both Airbnb and VRBO, two of the leading hosting platforms, to better regulate short-term rentals in their cities. For instance, Airbnb now will remove hosts on their platform that do not list an active business license and are not registered with the City. Staff in San Francisco have said that these agreements have created “platform accountability” whereby the platforms, and not the cities, are doing more work to enforce compliance with the municipality’s laws. Agreements with the hosting platforms allows the cities to cancel the bad behavior they are seeking to curtail at the gate, on the internet, as opposed to having to go out into the field to pursue and cite bad actors where citing offenders is much more difficult.

Economic Analysis

In October 2017, the Los Angeles County Economic Development Corporation (LAEDC) issued a report commissioned by Airbnb about the economic impact of short-term rentals on the regional economy. The Airbnb report concluded that many Airbnb guests spend more daily on other travel expenses, such as food or shopping, than guests who stay in other forms of accommodation, and that host revenues and visitor spending generate *new* economic output in Los Angeles County. The report “estimates that host revenues *net* of Airbnb revenues and visitor spending will generate economic output in Los Angeles County of \$905.5 million on an annual basis and support 7,440 jobs and will generate \$52.5 million in state and local taxes.”

Many Airbnb clients cite lower costs, additional amenities like a kitchen or extra bathrooms, convenient location and the desire to live like a local as the major reasons for using Airbnb locations as opposed to a conventional hotel. When asked by staff whether vacation rentals were a threat to their business, one local hotel professional stated, “We’re in the hospitality business, they’re in the lodging business.” Anecdotally, staff has heard sporadic feedback from residents that they have found the supplemental income from short-term rentals beneficial to their quality of life, and some have indicated that they rely on the income for day-to-day living expenses.

POLICY ALTERNATIVES:

ALTERNATIVE # 1: Direct staff to prepare an ordinance consistent with the original 2015

Planning Commission recommendation, allowing short-term rentals once within a three-month period for a total of four short-term rental uses per property within a 12-month period.

PROS:

Already been publically vetted and is likely to be acceptable to the CCC. Provisions reflect a balanced approach and allow for TOT collection. May reduce the amount of staff time for enforcement.

CONS:

Would be a limited number of short-term vacation rentals in residential areas which could potentially impact residential neighborhoods. The 2015 Resolution lacks a cap-and-density limit or other limitations.

ALTERNATIVE # 2: Give direction to draft a new ordinance based upon the Planning Commission recommendation, but with additional regulations to minimize the impacts within the residential community as discussed in the staff report (e.g., required on-site parking, etc.).

PROS:

Allows for further public input on a variety of potential regulations. Would allow staff the opportunity to consult with the CCC on potential standards.

CONS:

Would significantly delay adoption and implementation of city-wide short-term rental provisions. Would require significant staff time to set up and administer the initial program and on-going administration and enforcement.

ALTERNATIVE # 3: Keep current prohibition in place.

PROS:

Continues status quo which minimizes impacts to neighborhoods from short-term rentals.

CONS:

City foregoes revenue from collecting TOT on legalized short-term rentals. Does not allow for any flexibility. Significant staff time currently devoted to enforcing ban which has not proven to be effective in eliminating short-term rentals in the City.

Council Discussion: If City Council proceeds with Alternative #2, staff would like feedback on the following issues:

1. Does the Council want to revisit the city's policy (prohibition in residential zones) and allow short-term rentals in some form?
2. Would the Council like to limit by ownership types (owner-occupied residence, tenant occupied, corporate ownership, absentee individual owner (aka vacation rental))?
3. Would the Council like to add criteria to the ordinance (i.e., limits by geography, by zone district, area district, number of days per year)

(Staff continues to support the 2015 Planning Commission recommendation limiting the short-term rental of each property to no more than four times a year.)

4. Consideration of Operational Guidelines:
 - (1) Require parking spaces;
 - (2) Have a map on city website with all STRs listed;

- (3) Require insurance,
- (4) Signage, etc.
- 5. Discuss the use of outside vendors for administration and enforcement.

PUBLIC OUTREACH/INTEREST:

Upon City Council policy direction, a community outreach effort will be undertaken to inform the community of the City's goals and receive feedback on program features.

ENVIRONMENTAL REVIEW

The discussion item is exempt from the requirements of the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Section 15061(b)(3) because it can be seen with certainty that there will be no potential for any impacts on the environment.

LEGAL REVIEW

The City Attorney has reviewed this report and determined that no additional legal analysis is necessary.

Attachment/Attachments:

- 1. Planning Commission Resolution - PC 15-03
- 2. Pacific Grove and Newport Beach Short-Term Rental Listings
- 3. Pasadena Short-Term Rental Ordinance

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RESOLUTION NO. PC 15-03

A RESOLUTION OF THE MANHATTAN BEACH PLANNING COMMISSION
RECOMMENDING TO THE CITY COUNCIL ZONING CODE AND LOCAL
COASTAL PROGRAM AMENDMENTS FOR CHAPTERS 10.100 AND
A.96.160 (APPEALS) AND FOR CHAPTERS 10.12 AND A.12 (RESIDENTIAL
DISTRICTS) AND OTHER PORTIONS OF TITLE 10 AND A – ZONING CODE

THE MANHATTAN BEACH PLANNING COMMISSION DOES HEREBY RESOLVE AS FOLLOWS:

SECTION 1. The Planning Commission hereby makes the following findings:

- A. On May 13, 2015, the Planning Commission conducted a duly noticed public hearing pursuant to applicable law to consider amendments to the Zoning Code and Local Coastal Program for Chapters 10.100 and A.96.160 (Appeals), for Chapters 10.12 and A.12 (Residential Districts), for Chapters 10.04.030 and A.04.030 (Definitions), and for 10.08.030 and A.08.030 (Residential Use Classifications). Specifically, staff has recommended that the Zoning Code's appeal procedure be streamlined, amended to make the Code consistent with the City's practice and changes in the law, and amended to provide for City Council review of quasi-judicial proceedings. In addition, staff has recommended that the Code be amended to address commercial and transient uses in residential zones.
- B. The public hearing was advertised pursuant to applicable law with a ¼ page display ad on April 30, 2015 in the Beach Reporter.
- C. The proposal is exempt from the requirements of the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Section 15061(b)(3) because it can be seen with certainty that the amendments will not have the potential for any impacts on the environment. The proposed Zoning Code and LCP amendments are modifications to the Appeals process, adding and amending definitions, classifications and uses in the Residential Sections.
- D. The proposed amendments are consistent with the policies of Chapter 3 of the Coastal Act, and LCP Policy II.1 which aims to "Control development within the City of Manhattan Beach Coastal Zone," will not have an impact either individually or cumulatively on coastal resources, and do not involve any change in existing or proposed use of land or water, but will clarify regulation of commercial and transient uses in residential zones.
- E. The proposed amendments are consistent with the goals and policies of the City's General Plan and Local Coastal Program, and with the purposes of the Zoning Codes of the Manhattan Beach Municipal Code (MBMC) and Local Coastal Program, as detailed in the Planning Commission Staff Report. The proposal specifically supports: Goal LU-4, which aims to preserve the features of each neighborhood, and develop solutions tailored to each neighborhood's unique characteristics, Policy LU-4, which aims to protect public access to and enjoyment of the beach while respecting the privacy of beach residents, Goal LU-5, to protect residential neighborhoods from the intrusion of inappropriate and incompatible uses, Policy LU-5.1, which requires the separation or buffering of residential areas from businesses and uses which produce noise, odors, high traffic volumes, light or glare, and parking through the use of landscaping, setbacks, or other techniques, and the City's Housing Element Goal I, to Preserve Existing Neighborhoods, which is bolstered by Policy 1, to continue to enforce provisions of the Zoning Code which specify District Development Regulations for height, lot coverage, setbacks, open space, and parking.

SECTION 2. The Planning Commission hereby RECOMMENDS approval of the subject amendments to the MBMC and Local Coastal Program as follows:

SECTION 3. Amend MBMC Chapter 10.100 (APPEALS) and LCP Section A.96.160 A. 1-3 (Appeals) to read as follows with all other portions of Section A.96.160 remaining in effect without amendment:

Chapter 10.100 and A.96.160 A.1-3. APPEALS AND COUNCIL REVIEW

Sections:

10.100.010 - Appeals.

- A. Decisions of the Community Development Director may be appealed to the Planning Commission, and decisions of the Planning Commission may be appealed to the City Council.
- B. Anyone wishing to appeal pursuant to this Chapter must timely file with the City Clerk a written notice of appeal, on a form provided by the Community Development Department, and the applicable required appeal fee set by City Council resolution. The notice of appeal shall specify the basis for the appeal. In addition, the appeal must indicate in what way the appellant contends the decision was incorrect, specifically identifying how the decision is not in accord with the provisions of the Municipal Code or the Local Coastal Program, or must provide extenuating circumstances that the appellant contends would justify reversal or modification of the decision.
- C. The appeal period ends at the close of the business day for City Hall on the fifteenth day following the decision provided however that if the fifteenth day falls on a weekend or City holiday the appeal period shall be extended to the close of business on the next working day.
- D. An appeal shall be heard at a public hearing *de novo* if the decision being appealed required a public hearing. Notice of such a public hearing shall be given in the same manner required for the decision being appealed.
- E. The appeal will be heard within 60 days of the City Clerk's receipt of the appeal unless the applicant and appellant consent to a later date.
- F. Decisions that are appealed shall not become effective until the appeal has been resolved or withdrawn.

10.100.020 Council Review.

- A. Council Review. A Planning Commission decision shall be set for a review hearing before the City Council if requested in writing by at least two members of the City Council. The City Councilmembers requesting the review shall file a Council review form with the City Clerk. The form must be filed before the close of the business day for City Hall on the fifteenth day following the decision provided however that if the fifteenth day falls on a weekend or City holiday the appeal period shall be extended to the close of business on the next working day. The form shall be prescribed by the City Clerk and may be signed by the members separately or by two members jointly. No fee shall be required. The City Clerk shall schedule the review hearing for commencement within 60 days of the request for review. The review shall otherwise follow the same procedures as appeals in this Chapter. It shall be presumed that the reason for the review is that the decision may have significant and material effects on the quality of life within the City, or the subject matter of the decision may have City-wide importance warranting review and determination by the elected officials of the City. Bias shall not be presumed or inferred due to a request for review.
- B. Stay of Decision. The effectiveness of a decision subject to Council review shall be stayed pending completion of the Council review proceedings.
- C. Notice. Public notice of the hearing shall be provided in the same manner, if any, as was provided in connection with the consideration by the Planning Commission.

D. Hearing Procedure. The Council review hearing shall be conducted as a hearing *de novo*. The City Council shall apply the same decision criteria as the Planning Commission.

10.100.030 - Decision.

The appellate or reviewing body may uphold, overturn or modify the decision of the inferior body. Any such action shall be made by resolution and shall be supported by findings. Alternatively, the appellate or reviewing body may remand the matter for further consideration by the inferior body. In the event of a tie vote by the Planning Commission, the decision of the Community Development Director shall be effective. In the event of a tie vote by the City Council, the decision of the Planning Commission shall be effective.

10.100.040 - Effective date.

A decision by the City Council regarding an appeal or Council review shall become final on the date of the decision. A decision by the Planning Commission regarding an appeal shall become final on the date of the decision, unless appealed to the City Council, or called up for review by two Councilmembers.

10.100.050 - Resubmittal.

Following a decision on an appeal or Council review, any matter that is the same or substantially the same shall not be considered by the same body within two years, unless the denial is made without prejudice.

SECTION 4. Amending MBMC Section 10.04.030 and LCP Section A.04.030 (Definitions) to insert a new defined term "Single Housekeeping Unit" between the existing defined terms "Sexual Activities, Specified" and "Single Ownership" as follows, with all other portions of Sections 10.04.030 and A.04.030 remaining in effect without amendment:

"SINGLE HOUSEKEEPING UNIT:

A traditional family or the functional equivalent of a traditional family, whose members are a non-transient interactive group of one or more persons, where if consisting of more than one person, such persons jointly occupy a single dwelling unit, jointly use common areas, share household activities and responsibilities (e.g., meals, chores, and expenses), and where, if the unit is rented, leased, or subleased all adult members living on the premises jointly agree to occupy and be responsible for the entire premises of the dwelling unit under a single written rental agreement or lease and the makeup of the household occupying the unit is determined by the residents of the unit rather than the landlord or property manager."

SECTION 5. Amend MBMC Section 10.08.030 and LCP Section A.08.030 (Residential use classifications) to insert a Use classification "Multi- Family Transient Use" between the existing use classifications "Multi-family Residential" and "Residential Care, Limited" as follows, with all other portions of Sections 10.08.030 and A.08.030 remaining in effect without amendment:

"F. MULTI-FAMILY TRANSIENT USE: Rental or lease of a multi-family dwelling unit for a period of less than 30 days."

SECTION 6. Amend MBMC Section 10.08.030 and LCP Section A.08.030 (Residential use classifications) to insert a new Use classification "Single-Family Transient Use" between the existing Use classifications "Single-Family Residential" and "Supportive Housing" as follows, with all other portions of Sections 10.08.030 and A.08.030 remaining in effect without amendment:

"I. SINGLE-FAMILY TRANSIENT USE: Rental or lease of a single-family dwelling unit for a period of less than 30 days."

SECTION 7. Amend the residential use in the table of uses set forth in MBMC Section 10.12.020 and LCP Section A.12.020 (Land Use Regulations) to 1) insert a new row immediately before the "Residential Care, Limited" row, entitled "Multi-Family Transient Use"; and 2) insert a new row immediately after the "Single Family Residential" row, entitled "Single-Family Transient Use"; both of

which are noted on the table below underlined in bold text, as follows, with all other portions of Sections 10.12.020 and A.12.020 remaining in effect without amendment:

10.12.020/A.12.020 - Land use regulations: RS, RM, RH, RPD, and RSC districts.

RS, RM, RH, RPD, and RSC DISTRICTS LAND USE REGULATIONS				P — Permitted PDP — Precise Development Plan SDP — Site Development Permit U — Use Permit L — Limited, (See additional use regulations) - — Not Permitted		
	RS	RM	RH	RPD	RSC	Additional Regulations
Residential Uses						(A)
Day Care, Small Family Home	P	P	P	P	P	<u>(P)</u>
Day Care, Large Family Home	L-22	L-22	L-22	L-22	L-22	<u>(P)</u>
Group Residential	-	-	U	-	U	
Multi-family Residential						
5 or fewer units	-	P	P	P	U	(B)(C)(L) <u>(P)</u>
6 or more units	-	PDP/SD P	PDP/SDP	PDP/SDP	U	(B)(C)(L)(O) <u>(P)</u>
Multi-Family Transient Use	-	<u>L-25</u>	<u>L-25</u>	<u>L-25</u>	<u>L-25</u>	
Residential Care, Limited	P	P	P	P	P	
Single-Family Residential	P	P	P	P	P	(C) <u>(P)</u>
Single-Family Transient Use	<u>L-26</u>	<u>L-26</u>	<u>L-26</u>	<u>L-26</u>	<u>L-26</u>	

SECTION 9. Amend MBMC Section 10.12.020 and LCP Section A.12.020 (Land Use Regulations) to add Additional Regulations L-25, L-26, and (P) to read as follows, with all other portions of Sections 10.12.020 and A.12.020 remaining in effect without amendment:

RS, RM, RH, RPD, and RSC Districts: Additional Use Regulations:

L-25 A Multi-Family Transient Use, as defined in Section 10.08.030 and A.08.030, of a multi-family dwelling unit is permitted to commence once within a three month period for each multi-family dwelling unit. Use of a multi-family dwelling unit for a multi-family transient use more than four times within a 12 month period is prohibited. Multi-Family Transient Uses shall comply with Chapters 6.01, 6.24, 8.20 and other applicable Sections of the MBMC.

L-26 A Single-Family Transient Use, as defined in Section 10.08.030 and A.08.030, of a single family dwelling unit is permitted to commence once within a three month period for each single-family dwelling unit. Use of a single-family dwelling unit for a single-family transient use more than four times within a 12 month period is prohibited. Single-Family Transient Uses shall comply with Chapters 6.01, 6.24, 8.20 and other applicable Sections of the MBMC.

(P) Each Single-Family Residential and Multi-Family Residential Dwelling Unit may only be occupied by a single housekeeping unit as defined in 10.04.030 and A.10.04.030.

SECTION 10. The Planning Commission also recommends that the City Council direct the City Clerk to make any other corresponding language changes to the MBMC and the LCP to achieve internal consistency as required.

SECTION 11. If any sentence, clause, or phrase of this resolution is for any reason held to be unconstitutional or otherwise invalid, such decision shall not affect the validity of the remaining provisions of this resolution. The Planning Commission hereby declares that it would have passed this resolution and each sentence, clause or phrase thereof irrespective of the fact that any one or more sentences, clauses or phrases be declared unconstitutional or otherwise invalid.

SECTION 12. Any provisions of the Manhattan Beach Municipal Code, or appendices thereto, or any other resolution of the City, to the extent that they are inconsistent with this resolution, and no further, are hereby repealed.

SECTION 13. The Secretary to the Planning Commission shall certify to the adoption of this Resolution.

I hereby certify that the foregoing is a full, true, and correct copy of the Resolution as adopted by the Planning Commission at its regular meeting of May 13, 2015 and that said Resolution was adopted by the following vote:

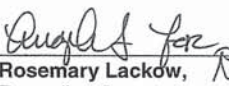
AYES: Andreani, Bordokas, Hersman

NOES: Chairperson Conaway, Ortmann

ABSENT: None

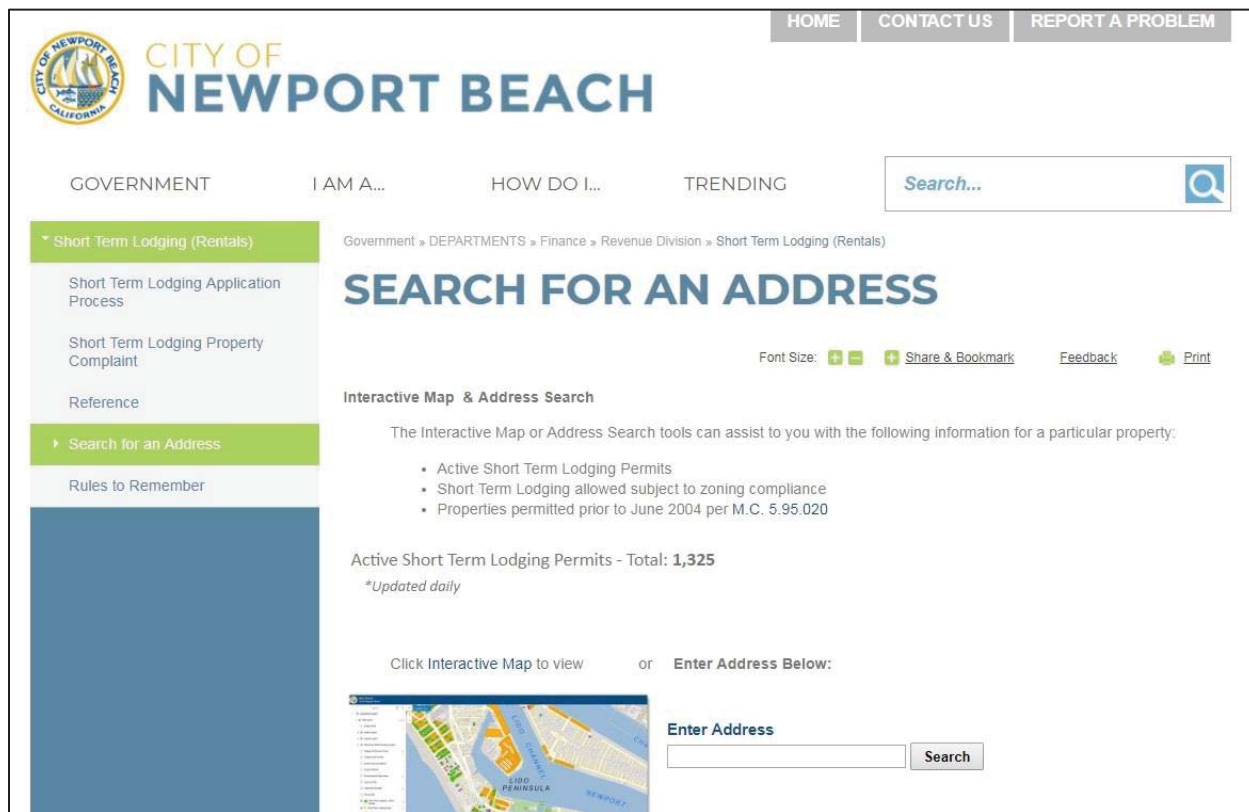
ABSTAIN: None


Marisa Lundstedt,
Secretary to the Planning Commission


Rosemary Lackow,
Recording Secretary

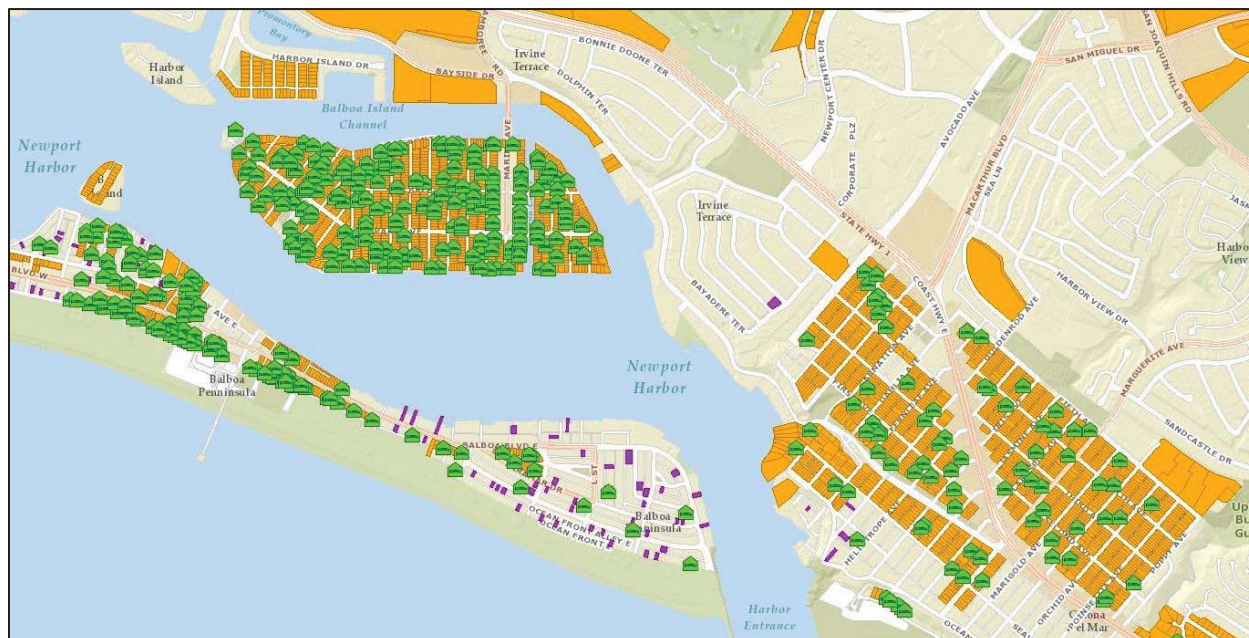


City of Newport Beach's website has the ability to search for a particular address to find active short-term rental permits:



The screenshot shows the City of Newport Beach website. At the top, there is a navigation bar with links for HOME, CONTACT US, and REPORT A PROBLEM. Below this, a secondary navigation bar includes GOVERNMENT, I AM A..., HOW DO I..., and TRENDING. A search bar is located on the right side of this bar. The main content area is titled 'SEARCH FOR AN ADDRESS' and is part of the 'Short Term Lodging (Rentals)' section. It includes a breadcrumb trail: Government » DEPARTMENTS » Finance » Revenue Division » Short Term Lodging (Rentals). The page features a sidebar with links to 'Short Term Lodging Application Process', 'Short Term Lodging Property Complaint', 'Reference', 'Search for an Address' (highlighted), and 'Rules to Remember'. The main content area lists 'Active Short Term Lodging Permits' and provides a list of bullet points: 'Active Short Term Lodging Permits', 'Short Term Lodging allowed subject to zoning compliance', and 'Properties permitted prior to June 2004 per M.C. 5.95.020'. It also states 'Active Short Term Lodging Permits - Total: 1,325' and '*Updated daily'. At the bottom, there is a section for 'Click Interactive Map to view' or 'Enter Address Below:' with a map thumbnail and an 'Enter Address' input field with a 'Search' button.

View of City of Newport Beach's Interactive Map showing the location of short-term rental permit holders:



City of Pacific Grove, California – List of short-term rentals



SEARCH | CONTACT   

CITY OF PACIFIC GROVE

ABOUT THE CITY | VISITING | LIVING | DOING BUSINESS | PUBLIC SAFETY | CALENDAR

View Short-Term Rentals

[Home](#) » [Living](#) » [Community & Economic Development](#) » [Short-term Rental Program](#) » View Short-Term Rentals

006145006000	114 Caledonia St	0379	Active	A	View
006318009000	215 Congress Ave	0376	Active	A	View
006342002000	911 (back unit) Lighthouse Ave	0378	Active	A	View
006015008000	1243 Shell Ave		Withdrawn	B	View
006015008000	1243 Shell Ave		Waitlist	A	View
006074023000	735 Unit D Mermaid Ave	0377	Active	A	View
006242004000	216 1st St	0375	Active	B	View
006242004000	216 1st St		Waitlist	A	View
006348004000	230 Bentley St	0374	Active	B	View
006348004000	230 Bentley St		Waitlist	A	View
006253019000	214 5th St Unit A	0383	Active	B	View
006222007000	115 3rd St	0373	Active	A	View
006552009000	611 Granite St	0401	Active	B	View
006074027000	715 Mermaid Ave	0371	Active	A	View
006188002000	122 11th Street	0370	Active	A	View
006283004000	545 1/2 Lighthouse Ave	0369	Inactive	A	View
006294013000	231 17th St	0365	Active	A	View

Introduced by _____

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY OF PASADENA AMENDING THE ZONING CODE (TITLE 17) TO ADD SECTION 17.50.296 TO CHAPTER 17.50 OF THE PASADENA MUNICIPAL CODE PERTAINING TO SHORT-TERM RENTALS

The People of the City of Pasadena ordain as follows:

SECTION 1. This ordinance, due to its length and corresponding cost of publication, will be published by title and summary as permitted in Section 508 of the Pasadena City Charter. The approved summary of this ordinance is as follows:

“Summary

This proposed ordinance amends the Zoning Code (Title 17) to add Section 17 50.296 to Chapter 17.50 of the Pasadena Municipal Code, which establishes regulations to permit short-term rental activity as an accessory use to a dwelling unit, and requires remittance of Transient Occupancy Tax.

Ordinance No. _____ shall take effect 30 days from its publication.”

SECTION 2. Pasadena Municipal Code, Title 17, Article 5, Chapter 17 50, Section 17.50.296 (Short-Term Rentals) is added as follows:

“17.50.296 – Short-Term Rentals

- A. **Applicability.** The following standards apply to short-term housing rentals whereby a dwelling unit is shared, in whole or in part, for transient occupancy as a way of generating rental income.

B. **Definitions.** For the purposes of this Section, the following words or phrases shall have the following meanings:

1. **Home-Sharing.** An accessory use of a primary residence for the purposes of providing temporary lodging, for compensation, for periods of 30 consecutive days or less.
2. **Host.** An occupier of a dwelling unit who rents his/her primary residence for home-sharing under this Section.
3. **Hosted Stay.** A home-sharing activity whereby the host remains on-site throughout the guest's stay (except during daytime and/or work hours).
4. **Hosting Platform.** A marketplace in whatever form or format which facilitates the short-term rental activity, through advertising, match-making, or any other means, using any medium of facilitation, and from which the operator of the hosting platform derives revenues, including booking fees or advertising revenues, from providing or maintaining the marketplace.
5. **Primary Residence.** A host's permanent residence or usual place of return for housing as documented by at least two of the following and in the host's name: motor vehicle registration; driver's license; voter registration; tax documents showing the residential unit as the host's residence; or a utility or cellular phone bill. A person may have only one primary residence and must reside there for a minimum of 9 months per year.

6. **Un-Hosted Stay.** A home-sharing activity whereby the host remains off-site during the guest's stay

7. **Vacation Rental.** A dwelling unit that is not a primary residence and which is available for temporary lodging, for compensation. The term "vacation rental" shall not include: single-room occupancy buildings; bed and breakfast inns, hotels, a dwelling unit for which a tenant has a month-to-month rental agreement and the rental payments are paid on a monthly basis; or corporate housing.

C **Eligible Types of Dwelling Units.** Short-term rentals shall be permitted in single-family residences, duplexes, condominiums, townhomes, and multi-family rental units, except covenant restricted (affordable) and Section 8 units.

D. **Vacation Rentals Prohibited.** Vacation rentals, as defined in this Section, are a prohibited use and shall not be operated in the City.

E. **Short-Term Rental Permit.** The host is required to obtain a short-term rental permit from the City, pursuant to the provisions of this Section, before renting any primary residence to a transient occupant/guest.

1. **Application.** To apply for a short-term rental permit, a host shall file an application with the Planning and Community Development Department on a form provided by the Department, and shall include all information required by the instructions on the application and the guidelines necessary to implement this Section, which guidelines may be approved

by the City Manager or his/her designee.

2. **Eligibility Requirements.** The following requirements must be met for approval of a short-term rental permit:

- a. The host shall obtain a Transient Occupancy Registration Certificate from the Finance Department.
- b. The host shall sign a notarized affidavit confirming that:
 - i. The short-term rental unit is his/her primary residence and that the local responsible contact person or property management company will be available 24 hours per day.
 - ii. The space used for short-term rental meets or exceeds fire and life safety requirements, including installation of smoke and carbon monoxide detectors, and adequate means of egress.
 - iii. The abutting property owners and occupants will be notified prior to the start of activity that the host's primary residence will be used for short-term rental.
 - iv. For tenants, renters, or lessees of residential units engaging in short-term rental, that he/she has notified their landlord/property owner of their intent to sublease their unit as a short-term rental.
- c. For properties with existing legally permitted accessory dwelling

units or accessory structures constructed or issued building permits for prior to January 1, 2017, the term "primary residence" shall refer to the parcel of land and constitute both the main structure and the subordinate unit, both of which can be used for short-term rental activity provided the main structure is the host's permanent residence. An accessory dwelling unit or accessory structure permitted after January 1, 2017 shall not be used for short-term rental.

- d. The host shall demonstrate that an accessory structure is legally permitted and habitable based on building permit history. In the absence of a building permit record demonstrating such, the Building Official shall determine if the accessory structure is suitable for habitability and an inspection of the accessory structure may be required.
- e. Notwithstanding Subsection 17.50.296(E)(2)(b)(i), for owner-occupied properties with multiple dwelling units, including duplexes, triplexes, or apartment complexes, and generally containing rental units, the owner of such property may short-term rent his/her primary residence plus one additional dwelling unit on the property.
- f. If a primary residence is subject to the rules of a homeowners' or condominium association, allowance to engage in short-term rental

through this Section shall not be inferred to grant any permission that invalidates or supersedes provisions in those documents.

- g. The host shall sign an indemnification and hold harmless agreement in a form approved by the City Attorney, agreeing to indemnify, save, protect, hold harmless, and defend the City of Pasadena, the City Council of the City of Pasadena, individually and collectively, and the City of Pasadena representatives, officers, officials, employees, agents, and volunteers from any and all claims, demands, damages, fines, obligations, suits, judgments, penalties, causes of action, losses, liabilities, or costs at any time received, incurred, or accrued as a result of, or arising out of host's actions or inaction in the operation, occupancy, use, and/or maintenance of the property.

- 3 **Expiration and Renewal.** A short-term rental permit is valid for one (1) year from the date of issuance. It may not be transferred, does not run with the land, and is valid only at the original short-term rental site. A short-term rental permit may be renewed if the host meets the renewal requirements including: (1) pays the renewal fee; (2) is deemed to have been in substantial conformance with the provisions of this Section for the past year; (3) documents and provides any changes that have occurred to the information on the current short-term rental application; and 4) submits

short-term rental records described in Subsection 17.50.296(G)(2) for the last year to demonstrate compliance with this Section as part of the renewal. Without a renewal application submitted within one (1) year to the date of the issuance of the short-term rental permit, or prior renewal, a permit is considered null and void.

F. Short-Term Rental Regulations.

1. Short-term rentals shall not adversely affect the residential character of the neighborhood nor shall the use generate noise, vibration, glare, odors, or other effects that unreasonably interfere with any person's reasonable enjoyment of his or her residence. To this effect, the short-term rental activity shall comply with all provisions of the Pasadena Municipal Code, including Chapter 9.36 (Noise Restrictions) and Chapter 8.64 (Litter Control).
2. No person shall advertise, undertake, maintain, authorize, book, or facilitate any renting to transient guests in a manner that does not comply with this Section
3. No person shall advertise any short-term rental without a City issued short-term rental permit number depicted in a visible location on the advertisement, including any listing on a hosting platform.
4. Un-hosted stays shall be limited to a maximum of 90 days per year. There shall be no limit for hosted stays.

5. Short-term rentals shall not be used by more than 2 guests per bedroom plus 2 additional guests at one time.
6. Commercial events, commercial parties, or commercial group gatherings, including but not limited to weddings, banquets, and corporate events, are prohibited from occurring as part of the short-term rental use. The dwelling shall not be short-term rented for the sole purpose of accommodating such uses.
7. Parking for the short-term rental use shall be provided on-site
8. No signs shall be posted on the exterior of the dwelling advertising the presence of the short-term rental use.
9. No person shall offer or engage in short-term rental in any part of the property not approved for residential use, including but not limited to, a vehicle parked on the property, a storage shed, trailer, garage, or any temporary structure like a tent.

G. Host Requirements.

1. The host shall be responsible for any nuisance violations arising at a property during short-term rental activities.
2. The host shall keep and preserve, for a period of three years, all records as may be necessary to determine the amount of such tax as he/she may have been liable for the collection of and payment to the City, including the number and length of each short-term rental stay, and the price paid for

each stay. The Planning and Community Development Department and/or the Finance Department shall have the right to inspect these records at all reasonable times. Hosts shall provide a copy of the records from the last year to the Planning and Community Development Department at the time of renewing the short-term rental permit.

3. The host shall fully comply with all the requirements of PMC Chapter 4.44 (Transient Occupancy Tax) and any successor sections.
4. The host shall provide and maintain fire extinguishers, smoke detectors, carbon monoxide detectors, and information related to emergency exit routes and emergency contact information.

H. **Fees.** The City Council may establish and set by Resolution all fees and charges as may be necessary to effectuate the purpose of this Section.

I. **Enforcement.**

1. Enforcement of this Chapter shall be subject to the processes and procedures in Chapters 1.24 and 1.25 of the Pasadena Municipal Code.
2. Any person failing to comply with any provision of this Section shall be deemed guilty of a violation of the Pasadena Municipal Code, which may be punishable as outlined in Chapter 1.24 (General Penalty) of the Pasadena Municipal Code, and may be subject to any other penalty or enforcement mechanism available to the City.
3. Three violations against the same property being used for short-term

rental may result in the automatic suspension of the permit. After notice and a hearing before the city manager or his/her designated administrator as provided in Chapter 1.25 (Administrative Penalties – Compliance Orders), the permit may be revoked. If a short-term rental permit is revoked, the host must wait at least one year before he/she can apply and register for short-term rental again.

- 4 Any person convicted of violating any provision of this Section in a criminal case or found to be in violation of this Section in a civil case brought by a law enforcement agency shall be ordered to reimburse the City and other participating law enforcement agencies their full investigative costs, pay all back Transient Occupancy Taxes, and remit all illegally obtained rental revenue to the City so that it may be returned to the short-term rental guests or used to compensate victims of illegal short-term rental activities.
5. Any person who violates any provision of this Section shall be subject to administrative fines and administrative penalties pursuant to PMC Section 1.25.160 and Section 1.25.170.
6. The remedies provided in this Section are not exclusive, and nothing in this Section shall preclude the use or application of any other remedies, penalties, or procedures established by law.”

SECTION 4. The City Clerk shall certify the adoption of this ordinance and shall cause this ordinance to be published by title and summary.

SECTION 5. This ordinance shall take effect 30 days from its publication.

Signed and approved this _____ day of _____, 2017.

Terry Tornek
Mayor of the City of Pasadena

I HEREBY CERTIFY that the foregoing ordinance was adopted by the City Council of
the City of Pasadena at its meeting held this _____ day of _____ 2017, by
the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN.

Date Published:

Mark Jomsky
City Clerk

Approved as to form:



Theresa E. Fuentes
Assistant City Attorney