

**SHORT-TERM RENTALS BEST PRACTICES RESEARCH,
COMMUNITY & ADVISORY COMMITTEE INPUT, AND STAFF'S RECOMMENDATIONS**
Presented to City Council on February 23, 2016

Issue	Requirement(s) of current STR ordinance	Best Practices Research- Other City's regulations	Suggestions from Community Outreach Meetings	Suggestions and Comments from (12-member) Advisory Committee comprised of six residents and six operators/owners Comments – as of February 1, 2016	February 12 th Advisory Committee Edits: Residents – Resident group was satisfied with the final comments dated February 1, 2016. Refer to column on left of comments. Operators – had additional edits as of February 12 th listed below	Staff's Recommendations
Banning STRs	Not presently addressed	<p>Laguna Beach is considering an ordinance that proposes banning STRs from single family residential neighborhoods and amortizing them out over a three year period.</p> <p>Santa Monica – Banned STRs; allows home sharing.</p> <p>Ojai – Proposing a ban of STRs in residential neighborhoods.</p> <p>Santa Barbara – Proposing a ban on STRs.</p> <p>Huntington Beach – Banned STRs.</p>	<p>The majority of residents strongly favor banning any new STRs and phasing out existing STRs in single family neighborhoods</p> <p>STRs currently located in multi-family developments are primarily located in two communities: Sherwood Village and Kaleidoscope</p> <p>Residents of Sherwood Village want STRs banned and phased out; staff is not certain of Kaleidoscope's position on STRs in its community</p>	<p>Residents (Non Operators) – Ban STRs in single family neighborhoods; ban in order to maintain the integrity of neighborhoods (no change over of tenants); keep neighborhoods safe; STRs compete with hotel business & negatively affect hotel employees;</p> <p>Operators – Ban "BAD" STRs; good short term rentals can be compatible with neighborhoods; no increase in crime as a result of resort areas; screen STR guests to address issues of safety; data regarding hotel occupancy should be reviewed;</p> <p>Consensus of residents is to ban STRs (exception of one resident member who prefers a ban but is willing to consider "testing" a better ordinance as a potential prelude to a ban):</p> <p>Termination dates (1)STRs established prior to May 13, 2014 terminate within 90 days of adoption of new ordinance (2) STRs permitted after adoption of original ordinance (May 13, 2014) terminate within 18 months of adoption of the new ordinance; no property transfers; no new STRs in single family areas; does not apply to owner occupied STRs (home sharing);</p> <p>Residents: Put STR issue on the ballot for voters to decide.</p> <p>Operators: Although not their preference, operators are willing to consider a ban of NEW STRs in the</p>		<p>Staff acknowledges the concerns expressed by residents who view STRs as an incompatible use in single family neighborhoods; Staff also acknowledges STR operators' intention/desire to operate responsibly and in a manner that minimizes impacts to adjoining property owners.</p> <p>Reconciling these two seemingly competing perspectives has proven to be a challenge. Given staff's desire to try and find a compromise position and seek a "middle ground," staff recommends the existing STR ordinance be amended to (1) prohibit the issuance of any <u>new</u> STR permits in single family or multi-family neighborhoods and (2) adopt all the new operational and enforcement standards recommended by staff in this matrix. Once adopted, the amended ordinance would be implemented (or "tested") for one year and closely monitored to determine if it has been effective in addressing the negative impacts currently being reported by residents. To the maximum extent practical, objective standards would be created to assess the effectiveness of the amended ordinance. Shortly following the end of the one-year period, staff would report its findings to the City Council at which time the City Council would have options available at its discretion including (1) continue the ban on the issuance of <u>new</u> STR permits in single and multi-family residential neighborhoods but allow existing STRs to continue operating under the provisions of the amended ordinance; (2) continue the ban on the issuance of <u>new</u> STR permits in single and multi-family residential neighborhoods and phase out through amortization all existing STRs; (3) continue to allow existing STRs to operate and allow new STRs subject to separation requirements to be determined at a future time.</p> <p>Staff's recommendation would provide residents with the protection of the new operational and</p>

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				City until a new ordinance can be tested for a period of one year; have a defined way to measure the performance of STRs compliance with new ordinance; create a process for residents to create a district or neighborhoods that allow STRs.		<p>enforcement standards included in the amended ordinance and the assurance that <u>new</u> STRs permits would not be issued in the single family and multi-family neighborhoods. Conversely, it would provide an opportunity for STR owners to prove if they can, in fact, operate in a manner that minimizes impacts to neighbors and the knowledge that through the new enforcement provisions the City can take immediate action on operators who carelessly commit major violations ("bad operators") and thereby undermine the integrity of those trying to operate responsibly.</p> <p>If the City Council desires an immediate ban and phase out all existing STRs in single family and multi-family neighborhoods, staff recommends the City Council direct staff to work with the City Attorney's Office to determine an appropriate and legally defensible amortization period.</p> <p>Staff is also evaluating zones where STRs may be allowed without impacting single family and multi-family neighborhoods (e.g., Mixed Use Overlays which include such areas as the downtown). Staff recommends it continue this effort and report its findings to the City Council.</p>
Age of primary occupant	18 years of age or older	21 years of age 25 years of age Most cities require rental agreement minimum age 21 or 25 years of age. Nashville-the principal renter shall be at least twenty-one (21) years of age. Seaside, OR - Only adults (25	General support for increasing age. Consensus for at least 21 Some suggestions for 25	Operators –prefer minimum age 21 years but might be ok with minimum age of 25 years; Residents - Minimum age of 25 years Residents/Operators – home sharing (owner occupied) STRs can have a different (lower) minimum age	Residents/Operators - No edits. Refer to column to the left.	Staff recommends that the age of the responsible party increase to at least 21 years of age and require that the responsible party occupy the property at all times during the short term rental period.

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		<p>years old and older) may reserve and must occupy the property at all times when children are present.</p> <p>Rancho Mirage just increased its age to 30. At least one person must be 30 to rent property.</p>				
24-hour contact information	Owner required to provide 24-hour contact information to City and respond within 45 minutes if City calls	<p>Owner required to provide 24-hour contact information to City <u>and</u> adjoining property owners and update information as necessary</p> <p>Encinitas- Owner required to post contact information in a conspicuous place on the property so all neighbors and public safety personnel know who to call if problems arise</p> <p>Sonoma County - Owner required to provide contact information to all neighbors within a 100' radius.</p>	General support for adjoining property owners, at a minimum, having contact information so they can call the owner/operator who can call the occupants at the first sign of a disturbance	Should be mandatory/required; both groups agree.	Residents/Operators - No edits. Refer to column to the left.	Staff recommends that the short-term rental owners be required to provide 24-hour contact information to the City, surrounding property owners and tenants and update the contact information as necessary. Surrounding property owners would have the option of calling the owner/operator or call the City to report disturbances and/or violations
Parking Requirements	<p>Minimum of 2 parking spaces must be provided on property</p> <p>Maximum number of vehicles is limited to the number of parking spaces provided</p> <p>Presently, no requirement that guests must actually</p>	<p>Laguna Beach's draft ordinance mirrors Anaheim's current ordinance</p> <p>Minimum of 2 spaces on the property seems to be the most common standard</p> <p>Nashville - No recreational vehicles, buses, or trailers shall be visible on the street or property in conjunction with</p>	<p>Residents have expressed concern about lack of parking and that street parking is sometimes overwhelming</p> <p>Use a sliding scale based on number of bedrooms:</p> <p>2-3 bedroom = 2 spaces 4-5 bedroom = 3 spaces 6 or more bedrooms = 4 spaces</p> <p>No RV parking allowed</p>	<p>Residents/Operators: Maximum number of vehicles allowed is limited to the number of parking spaces provided on site; exempt service vehicles (e.g., pool service, gardeners)</p> <p>Residents: keep STR occupant cars on-site</p> <p>Operators: allow one car to be parked on street in front of the STR</p>	<p>Operators – Comments/Edits reflected below:</p> <p>Operators: Maximum number of occupant cars allowed at the STR should be equal to the number of on-site parking spaces. Occupants should be allowed to park on the street in front of the STR only, but occupants should not park in front of any neighbor homes. Do not restrict public street parking in front of the</p>	<p>Staff recommends that the maximum number of vehicles allowed be limited to the number of on-site and off-site parking spaces, per the provisions noted below:</p> <p>On-site parking may be provided through a combination of garage parking and/or parking spaces on the driveway; however, the driveway may not be enlarged beyond what the Municipal Code currently allows.</p> <p>RVs, campers, trailers or bus parking would be</p>

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	park in the on-site spaces (City cannot cite for on-street parking)	the STRP use. Seaside, OR - RVs, campers, trailers or tents at the vacation rental homes are not allowed	Need different standards for single family homes vs. townhomes	Home sharing (Owner Occupied STRs)– ok to have a different parking requirement STR Operators (Permit Parking): would like property owner and potentially occupants to have a permit for access to one on-street space in front of the STR. Residents: Condos/Townhomes STR occupants are to park their vehicles in garage or assigned parking only.	STR. STR owners should encourage occupants to park onsite as a best practice. Operators - Additional comments: Permit Parking Areas – review limitations of permit parking; STR owners would like property owner and potentially occupants to have a permit(s) for parking on the street in front of the STR only.	prohibited at STR properties. Staff recommends the amended ordinance include language that specifies that HOA parking rules preempt City parking requirements. Staff recommends that a permit parking program be established for STRs to allow the issuance of up to a maximum of two on-street parking permits – one permit designated for use by the STR occupants and the second permit for the STR operator/owner to allow street parking when visiting or inspecting the property.
Use of garage as a game room	Not specifically addressed City's Code only prohibits converting garage for sleeping purposes	Most ordinances do not address this issue specifically under game rooms, however most cities require enclosed garages for the purpose of parking of vehicles. Various cities allow garage conversions only upon replacing the garage with another on-site garage.	STR owners feel it is OK provided there is adequate on-site parking. Residents generally disfavor, but acknowledge it may help reduce backyard activities which can be more disturbing. If permitted, there should be rules. If the garage is used as a game room, it should not count toward required parking.	Residents – Do not allow game rooms in garages. Use garages for car parking only. Operators – Allow but require door to be closed, impose time restrictions, do not allow furniture that is conducive to sleeping.	Operators – Comments/Edits reflected below: Operators: Allow but require door to be closed when garage is being used for gaming purposes by occupants, possibly impose time restrictions, do not allow furniture that is conducive to sleeping.	Staff recommends that the use of the garage as a game room be allowed as it is currently allowed for all single family homes in the City; however any recreational activities held inside the garage would be subject to limitations. Staff recommends the following limitations be placed on the use of game rooms in garages: (1) Prohibit couches or other furniture conducive to sleeping, inside a garage; (2) Garage door must be kept closed to reduce noise (additional soundproofing may be required in certain circumstances); (3) The garage may not be used for sleeping purposes or modified in a permanent manner that precludes its future use as a garage; (4) Use of the garage as a game room may not occur between the hours of 10:00 pm and 9:00 am; and (5) If garage is used as a game room, the garage may not count as required parking; parking may be provided in a legal driveway

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Limit on outdoor activities	Requires STR owners to ensure occupants do not create unreasonable noise or disturbances but does not include specific prohibition on outdoor activities during certain hours	<p>Several cities we researched are contemplating changes to their ordinances to limit outdoor activities during certain hours</p> <p>Laguna Beach is recommending limitations between 10:00 pm & 10:00 am</p> <p>Carlsbad-No amplified music shall be used outside or audible from the property line between 10 pm-10 am.</p> <p>Sonoma County-Prohibits outdoor amplified sound</p> <p>Palm Springs-prohibits the use of outdoor music of any kind in vacation rental homes. Anyone found to be violating noise ordinances will be subject to a \$250 fine and/or eviction without a refund.</p>	Both STR owners and residents acknowledge the need for new provisions to minimize impacts to adjoining property owners	<p style="text-align: center;">Quiet Time</p> <p>Residents: 10:00 pm to 10:00 am</p> <p>Operators: 10 pm to 9:00 am</p>	<p>Operators – Comments/Edits reflected below:</p> <p>If a "Quiet Time" is imposed then it should be in line with current Anaheim city noise ordinance of the hours between 10 pm to 7 am.</p> <p>As a best practice, Operators should encourage guests not go outside prior to 8 am and should prohibit guests from any outside activities after 10 pm.</p> <p>"Quiet Time" signage should be posted near all exterior doors and be part of all guests' contracts.</p>	<p>Staff recommends the establishment of "Quiet Time" between the hours of 10:00 pm and 9:00 am by prohibiting amplified music, use of a pool or spa, or other outdoor activities that may reasonably be expected to disturb neighbors.</p> <p>"Quiet Time" signage should be posted near all exterior doors and be part of all guests' contracts</p>
Enlarging home for use as an STR	<p>Not specifically addressed in the STR ordinance</p> <p>Expansion/additions are limited by the zoning code which addresses lot coverage, setbacks from adjoining property lines, etc.</p>	<p>The majority of ordinances reviewed by staff do not address this issue</p> <p>Nashville-STR operation is limited to properties that have no more than 4 bedrooms</p> <p>Sonoma County-Maximum of 5 guestrooms. Larger homes allowed by Conditional Use Permit if neighborhood compatibility can be demonstrated.</p>	<p>Residents and STR owners generally agree issue should be addressed</p> <p>Limit expansion to 1 additional bedroom</p> <p>Limit expansion to between 25% to 50% of existing square footage</p>	<p>Residents; Limit additions to a maximum of 30% (based on permitted square footage) and no more than 2 bedrooms.</p> <p>Operators: prefer allowance of up to 50% of existing square footage, maximum 2 bedrooms (essentially agree with staff's recommendation).</p> <p>There was some discussion about if a non-STR homeowner adds on in excess of whatever limitation is agreed to, the home cannot be used as or permitted for an STR within</p>	<p>Operators – Comments/Edits reflected below:</p> <p><u>Operators:</u> Prefer allowance of up to 50% of existing (not to be confused with "permitted") square footage since previous owners may have added unpermitted rooms and current owner purchased property with understanding that all existing square footage was already permitted. Maximum 2 bedrooms up to 6 bedrooms (essentially agree with staff's recommendation).</p>	<p>Staff recommends that additions or expansions of habitable area may not exceed 40% of the existing (permitted) square footage (not including the garage) and must meet all zoning code and parking requirements</p> <p>Staff recommends that provisions be added to require that second-story additions be compatible with the architectural character and scale of neighborhood.</p> <p>Staff recommends the inclusion of a provision that would allow the addition of a maximum of 2 bedrooms up to a total of 6 bedrooms if the home is proposed for use as a STR. For example, a 4</p>

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				three years.		bedroom home could add 2 bedrooms but a 5 bedroom home could add only 1 bedroom. Staff recommends the amended ordinance include language that specifies that additions to multi-family housing be governed by the HOA and meet city zoning standards.
Occupancy Limitations	A cumulative total not exceeding 3 persons per bedroom plus an additional 2 persons In special circumstances, Planning Director may approve more	Laguna Beach proposing 2 per bedroom plus additional allowance for daytime visitors who may not stay overnight Carlsbad – 2 people per bedroom plus one. Encinitas - 2 persons per bedroom plus one person per dwelling. Durango, CO - shall not exceed the lesser of: 1. Three persons per parking space; or 2. Two persons, plus two persons per bedroom. Sonoma County-2 persons per bedroom plus 2, up to a maximum of 12 occupants, excluding children under 3 years of age. Number of daytime guests shall not exceed 6 additional persons, for a maximum of 18 renters and visitors. Limits are waived on national holidays. Palm Springs - night time	Residents prefer limitation of 2 persons per bedroom plus an additional 2 STR owners are willing to consider a new standard such as 2 per bedroom plus 2 or 2 per bedroom plus 3, or a fixed schedule potentially such as the one proposed by staff on the adjacent column	Residents: Maximum 2 per bedroom. Operators: Maximum cap at 19 people using the following schedule: 2 bedrooms = 7 3 bedrooms = 9 4 bedrooms = 11 5 bedrooms = 13 6 bedrooms = 15 7 bedrooms = 17 8 bedrooms = 19	Operators – Comments/Edits reflected below: Operators: Maximum cap at 20 people using the following schedule: 1 bedroom = 4 2 bedrooms = 7 3 bedrooms = 10 4 bedrooms = 13 5 bedrooms = 16 6 bedrooms = 19 7 bedrooms = 20 (reduction of 3 from current ordinance) 8 bedrooms = 20 (reduction of 6 from current ordinance) Occupancy is per home rather than per bedroom just like current ordinance.	Staff recommends a fixed occupancy schedule which reflects a reduction over the current occupancy limits. A maximum cap at 19 people is proposed using the following schedule: 1 bedroom = 4 2 bedrooms = 7 3 bedrooms = 9 4 bedrooms = 11 5 bedrooms = 13 6 bedrooms = 15 7 bedrooms = 17 8 bedrooms = 19 Staff is evaluating the potential of allowing the maximum occupancy listed above to be increased consistent with the operator's desired maximums pursuant to a conditional use permit where additional conditions could be placed on the operator to reduce the potential of negative impacts to adjoining property owners. Staff recommends the current regulation be revised to delete Director authority to increase limit.

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		occupancy of a vacation home is limited to 2 person per bedroom. The Daytime Limit is the night occupancy limit plus 50%.				
“Major” vs. “Minor” violations	Current ordinance <u>does not</u> distinguish between major and minor violations It sets a fine schedule for sequential violations in a 12 month period and allows the Planning Director to initiate a suspension or revocation if evidence and grounds for such action can be established	Laguna Beach’s proposed ordinance is not any more punitive or innovative than Anaheim’s Newport Beach ordinance requires adherence to six basic operating conditions; violating 4 (in 12-month period) results in revocation proceedings. Any one violation during July 4 th /July 5 th results in \$1,000 automatic fine & permit revocation of min. of 60 days. Three unruly/loud violations within 24-month period results in permit revocation. Carlsbad – may be billed for law enforcement services when a 2 nd or subsequent police response is required due to a party when police officer determines that continued activity is a threat to the peace, health, safety, or general welfare of the public Minneapolis, MN – if rental license revoked, prohibited from obtaining new license for location for three years. Indian Wells-No tiered system	Both STR owners and residents expressed support for the concept Groups offered various suggestions for what would constitute major violations many of which are included in staff’s preliminary thinking Residents suggested that a certain number of minor violations in a set time period should count as a major violation A set number of verified major violations in a defined period would be grounds for <u>automatic</u> revocation	Major Violations: Residents agree with staff’s recommendation list as shown in the “Preliminary Thinking” column but want to add “major criminal activity” – staff will work the P.D. on a definition Operators accepted staff recommendation of major violations as shown in the “Preliminary Thinking” column but requested that the operators’ “intention” with its occupants (as evidenced by the signed rental agreement and other factors) should be considered when considering potential suspension or revocation in the event two major violations occur in a 12 month period. Staff explained that “intention” could be presented as evidence before a hearing officer in the event the owner chose to appeal a permit suspension or revocation. Staff shared its intention to add failure to pay TOT as a major violation	Operators – Comments/Edits reflected below: Proposed “major” violations *Construction without a permit *Violating prohibitions on outside activity (depending on the severity of the violation) – this needs to be clearly defined since it appears very subjective *Renting for less than the 3-night minimum *Exceeding occupancy limitations *Violating the prohibition for use as weddings, parties, conferences, etc. *use of a garage for sleeping purposes *Owner’s failure to get signature from primary occupant acknowledging rules *Violating the City’s Loud and Unreasonable Noise Ordinance *2 minor violations of any kind within 6 months = a major violation *Failure to pay TOT (Failure to pay TOT should only be a major violation for operators who knowingly under pay or do not pay TOT. Late TOT payments of more than 30 days should be a minor violation. Existing TOT penalties/fines are sufficient to cover all other TOT infractions. Any violation that is not “major” would be a “minor” violation. Two verified major violations in a 12-	Staff recommends the use of a two-tiered approach to classify “major” and “minor” violations. Staff recommends that any two verified “major” violations in a 12-month period be grounds for suspension/ permit revocation. Any two verified “minor” violations of the same type or a total of 4 of different types in a 12 month period would be equivalent to one “major” violation. The permit suspension revocation process may be initiated after one major violation, depending on the severity of the disturbance. Staff recommends the “major” and “minor” violations be defined as follows: (1) <u>“Major”</u> violations (a) Construction without a permit, excluding emergency repairs that are subsequently permitted. (b) Violating prohibitions on outside activity (depending on the severity of the violation) (c) Renting for less than the 3-night minimum (d) Exceeding occupancy limitations (e) Violating the prohibition for use as weddings, parties, conferences, etc. (f) Unpermitted use of a garage as a game room or for sleeping purposes (g) Owner’s failure to get signature from primary occupant acknowledging rules (h) Violating the City’s Loud and Unreasonable Noise Ordinance (i) Failure to pay transient occupancy tax (TOT) (j) Criminal activities on the premises

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		<p>but owners are subject to the following penalties through an Administrative Citation process:</p> <p>First offense: Warning by PD; Second offense within 12-month period: \$1,000 fine; Third and subsequent offenses with a 12-month period: \$1,500 fine and revocation of license</p> <p>Additional offense during revocation process: \$2,500 fine</p>		<p>Minor Violations:</p> <p>Residents agree with staff's Preliminary Thinking that 2 minor violations in 12 months would equal a major violation</p> <p>Operators would prefer that 2 minor violations (of the same type) or a total 4 minor violations of different types in a 12 month period would equal a major violation</p> <p>Tiered Fines:</p> <p>There was discussion of accelerated fines if an owner does not respond when contacted by the City within a designated period of time (i.e. current ordinance requires a response within 45 minutes)</p>	<p>month period would be grounds for revocation. Warnings for violations would not be issued. First violation would result in a citation that may be issued to both owner and the occupants (see below). Increase fines for major violations (\$1,000 for first violation; \$1,500 for 2nd, etc.)</p> <p>Minor violations would be consistent with current STR Ordinance (\$200 for 1st violation; \$400 for 2nd; and \$1,000 for 3rd)</p> <p>Operators: Prefer that 2 minor violations (of the same type) or a total 4 minor violations of different types in a 12-month period would equal a major violation.</p> <p>Operators feel that a warning process, similar to current Code Enforcement rules, should remain in place for Operators who show that the first infraction occurred without their knowledge and was not due to owner/operator negligence.</p> <p>Occupants who knowingly violate rules that they have agreed to should face stiff penalties, however operators should get a one-time warning in a 12-month period if they have acted in a reasonable manner to ensure occupants have acknowledged and agreed to rules of the ordinance.</p> <p>Operators who knowingly and</p>	<p>(k) 2 minor violations of any kind within 6 months = a major violation</p> <p>(2) "Minor" violations</p> <p>(a) Any violation that is not "major" would be a "minor" violation.</p> <p>(b) A disturbance associated with a "minor" violation may be elevated to a "major" violation at the discretion of the Director, depending on the severity of the disturbance.</p> <p>Citations will be issued to both the property owner and the occupant designated on the rental agreement as the responsible party and warnings for violations not be issued.</p> <p>Staff recommends that fines associated with "major" violations be increased (\$1,000 for 1st violation; \$1,500 for 2nd, etc.), and fines for "minor" violations would remain consistent with the current STR Ordinance (\$200 for 1st violation; \$400 for 2nd violation; \$1,000 for third violation)</p>

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					<p>purposely violate major issues should not receive a warning and should be fined and cited immediately.</p> <p>There needs to be separation between "good" operators and "bad" operators.</p> <p>The two major violations and you are out policy is too extreme for the "good" operators since one incident from a bad occupant could potentially result in more than one major violation and result in revocation of the permit for an operator who has made every reasonable effort to adhere to the rules of the ordinance.</p> <p>Even good operators should be held responsible for their "bad" occupants if there is more than one major incident in a 12-month period. Operators also feel that the proposed fines are very high and should be reduced for both major and minor violations.</p> <p>Operators feel that intent is very important and is not taken into consideration in the Preliminary Staff thinking. An owner trying very hard to keep all the rules is treated the exact same as an owner who blatantly disregards the rules.</p> <p>Operators feel at a minimum, guest violations for which Operators can show they did what can reasonably</p>	

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					<p>be expected of a good operator should be dealt with in a different manner than a violation in which an operator cannot show the same.</p> <p>Guests should have stiff fines for breaking the rules if the Operator has a signed contract of the guest acknowledging the rule that the guest breaks.</p> <p>Violating the City's Loud and Unreasonable Noise Ordinance and prohibition on outside activity should not be counted as two separate violations for the same incident since they are very similar in nature and the noise ordinance couldn't not be violated without also violating the newly proposed prohibition on outside activity.</p> <p>Any major violations that are similar in nature should only count as one violation per incident.</p> <p>Construction without a permit needs to be clearly defined and a violation should not apply to anything existing in the home at the time of implementation of this new rule. This should only be for major construction such as new bedrooms and bathrooms. Emergency/repair items like replacing a broken toilet, water heater, or garbage disposal should be separated from the term "construction without a permit," however STR Owners should be made aware of the best practice for</p>	

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					permitting emergency/ repair items such as the above.	
Holding occupants as well as owners accountable for violations	Occupants can be held accountable for <u>criminal</u> activity under provisions of CA Penal Code or Municipal Code, as the case may be However, current STR ordinance limits citation options for violation of ordinance to "owners"	Laguna Beach's proposed ordinance states its desire to hold occupants accountable but citations are limited to owners and hosting sites Indian Wells-Renters are subject to the following penalties through an Administrative Citation process: First offense: Warning Second offense within 60-day period: \$500 fine Third and subsequent offenses within 60-day period: \$1,000 fine	STR owners and residents generally support the concept Occupants should be required to post a deposit that would be forfeited if they commit a major violation Occupants should be subject to same enforcement as owners	Residents and Operators both agree that occupants should be held accountable and should be issued citations. In addition to potential citations, both residents and operators agreed that operators should require a deposit in their rental agreement to ensure occupants comply with the operational standards of the new ordinance. This deposit would be surrendered to the City if occupants are verified to have committed a major violation. Residents and Operators agreed the deposit should be a minimum of \$500.	Operators – Comments/Edits reflected below: Operators feel the fines for each major and minor violation should be shared between owners and occupants if the occupant is the cause of the violation. Operators agree that occupants must be held responsible but that the city should not receive double the money in the fines, especially when the operator did everything in their power to prevent a violation but the guest knowingly violated the rule anyway. As mentioned above, there needs to be some distinction between owners who are able to show they made a reasonable effort to mitigate occupant caused violations vs operators who either knowingly violate the rules or did not properly inform occupants of the rules. Operators feel intent should always be considered before levying fines and violations.	Staff recommends that the amended ordinance require that owners include language in the rental agreement informing occupants that they are subject to citation for violations and/or forfeiture of their security deposit. The amended ordinance will require owners to collect a security deposit not less than \$500 which will be subject to forfeiture if occupants violate the ordinance. In addition, Staff recommends that the amended ordinance include a specific fine/citation schedule for occupants (e.g., \$200 for minor violations and \$500 for major violations)
Create new permit for owner occupied STRs more in line with the concept of "home sharing"	Current STR ordinance does not prohibit this but the ordinance is more geared toward renting the entire house	Several cities we researched allow and require permits for home sharing, including Santa Monica, Portland, San Francisco, and Austin, TX Laguna Beach is exploring the concept	Survey revealed residents like this concept more than STR owners Residents prefer owner be required to reside on property as primary residence, as opposed to being allowed to vacate property for a specified number of days per year and	Residents: Banning STRs should not apply to "home sharing"/owner occupied STRs	Operators – Comments/Edits reflected below: <u>Operators:</u> As long as home sharing STRs pay TOT and keep all the STR rules that reasonably should apply to them then home sharing STRs should be allowed to operate as long as they have a permit.	Staff recommends that a separate ordinance be prepared to address the owner occupied STRs (home sharing). Staff's discussions with other cities suggest this model can work without impact to neighborhoods in situations where homeowner is required to occupy the home as his/her primary place of residence and reside in the home during the rental period. Home sharing model would also require a minimum 3-night stay.

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Enforcement against hosting sites	Not presently addressed	<p>Many cities have such a provision in their ordinance and others are contemplating adding it</p> <p>Laguna Beach's draft ordinance includes this provision</p>	<p>rent out the entire house</p> <p>This issue was raised verbally at the first community workshop and in responses to the open-ended comment section on the electronic survey</p> <p>General support for holding hosting sites accountable for advertising unpermitted STRs</p>		Residents/Operators - No edits. Refer to column to the left.	Staff recommends including language that would specify that it is a violation of the City's ordinance for any hosting platform to advertise an STR that has not been issued a regulatory permit by the City. This provision would enable the City to take enforcement action, if necessary
Separation requirement	Not presently addressed	<p>Austin, TX – only a certain % of homes in a census tract may be STRs; once that % is reached no new licenses are issued unless/until an existing STR forfeits its license or it is rescinded</p> <p>We found examples such as "one STR per street segment" and separation requirements measured in distances</p> <p>We also found examples such as LaQuinta where STRs are limited to certain zones and housing developments</p>	<p>Residents and STR owners had various ideas:</p> <p>*Limit as a % of total homes in a census tract</p> <p>*1 STR for every 36 to 50 homes</p> <p>*Distance separation (e.g., STRs must be at least XX feet apart with distances ranging from 200 to 300 feet)</p> <p>STR owners only support the concept on a "go-forward" basis</p> <p>If an outright ban is not adopted, residents prefer the separation requirement be implemented ASAP</p> <p>May need different separation requirements for multi-family than for single family neighborhoods as there are different dynamics</p>	<p>Residents: A ban would make the following requirement moot - Require a minimum separation of 2,000 feet between each single family residential STR; and, 100 percent of property owners within a two block area in every direction would be required to approve of a new STR.</p> <p>Operators – On a go forward basis, there would be no minimum separation between single family STRs; STRs in single-family neighborhoods would be allowed if approved by all adjacent property owners including the owner across the street from the proposed STR; or, allow if 75% of the property owners within a two-block area agree to new STRs.</p> <p>Residents: Condos/Townhomes A ban would make the following requirement moot – Allow one STR for every 50 units in developments with 50 or more units with the approval of all neighbors (across, sides, rear). No STRS allowed in complexes with less than 50 units.</p>	<p>Operators – Comments/Edits reflected below:</p> <p>The separation should only apply to new STRs and should not apply in any way to existing STRs (i.e. grandfather all existing permitted and pending STRs). Current STR owners should also retain their property right to sell their home as an STR and transfer all grandfathered rights of the existing STR to the new owner. In the STR Committee meeting, the staff showed a separation of 300 radius feet that would effectively make it so 1 in 30 homes could be an STR, which is not in line with staff's preliminary thinking of "homes being at least 4 to 5 homes apart." A separation requirement should not be radius since one home could be in the radius of homes 2 or 3 streets away and that have little or no impact on the homes on other streets. Furthermore, many operators feel that having multiple STRs right next to each other has less of an impact on a neighborhood</p>	As noted in the "Banning STRs" line item of this matrix, residents do not want any new STRs and want all exiting STRs phased out through amortization. While not their first preference, operators agreed to accept staff's recommendation that no <u>new</u> STR permits should be issued until and unless the operational and enforcement standards of an amended ordinance can be tested for a one year period under objective and measurable standards to determine if the issues of incompatibility can be addressed. This makes the separation requirement provision somewhat moot at this time, unless the City Council wishes to continue permitting new STRs. In the event the City Council elects to permit <u>new</u> STRs, or in the event the City Council desires to allow existing STRs to continue operating but reduce their concentration through a retroactive separation requirement, staff recommends the City Council direct staff to work with the Advisory Committee in an attempt to determine if there is a potential middle ground or compromise. Presently, residents and operators have extremely divergent views on the issue.

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				<p>Residents: Apartments Do not allow STRs in apartments.</p> <p>Residents: Allow STRs in commercial zones.</p> <p>Operators: Condos/Townhomes Allow STRs subject to approval by HOA.</p> <p>Operators: Apartments Allow STRs subject to approval of a conditional use permit.</p> <p>Operators: If STRs are banned in residential zones, then they should also be banned in commercial zones.</p>	<p>than spreading them out "4 to 5 homes apart.</p> <p><u>Operators:</u> Condos/Townhomes - Allow STR separation to be governed by the CCRs of the HOA</p> <p><u>Operators:</u> Apartments - Allow STRs subject to approval of a conditional use permit and should be under the same ordinance as STRs</p> <p><u>Operators:</u> Commercial Zones – subject to the same ordinance as STRs</p>	
Safety & Screening				<p>Need to consider a screening process that operators would follow for STR guests to address residents' concerns of safety</p> <p>Operators/Residents: Require ages and names of all occupants.</p> <p>Residents: Require background checks for STRs occupants that are adults; 18 years and over (sex offenders, violent crimes, etc.).</p> <p>Operators: Check adult STR occupants against Megan's law or any other reasonable public database.</p> <p>Operators/Residents:</p>	<p>Operators – Comments/Edits reflected below:</p> <p><u>Operators</u> do not agree with the following language: "Check adult STR occupants against Megan's law or any other reasonable public database". Operators agree with staff's preliminary thinking to collect names and ages of all occupants of the home.</p>	<p>Staff acknowledges residents' concerns regarding safety which is complicated by the transitory nature of STR occupants. Staff believes this issue could be potentially addressed by requiring operators to screen their occupants using public data bases such as Megan's Law. Staff intends to seek input from the Anaheim Police Department and the City Attorney's Office on the practical and legal ramifications and benefits of requiring this in the amended ordinance.</p>

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				Require property owner or manager to physically check in STR guests on-site.		
Fee					<p>Operators – Comments/Edits reflected below:</p> <p>Staff is looking at the possibility of significantly (doubling, or even tripling) the permit fee to pay for the administration of the ordinance from a full-time code enforcement officer, to TOT collection staff, to business license, etc. Anaheim's fee is already on the higher side of fees for cities with an STR permit fee. There may be a handful of cities with similar or even higher fees, but the majority of cities charge between \$25 and \$100 per year for STR permits. STRs won't require near the time that they have required to this point and will require during a 1-year monitoring period. We caution the city against raising the fee too much since once it is raised up it will likely never be reduced. We are more agreeable to a one-time fee for the year of monitoring than a permanent increase in the fee.</p>	Staff has advised operators that the annual renewal permit fee needs to be increased to better reflect the City's actual cost of program administration and code enforcement. Preliminarily, staff recommends the current STR annual renewal fee of \$250 be increased to \$750 for non-owner occupied STRs. Should the City Council direct staff to prepare a new ordinance for owner occupied (home sharing STRs), staff believes the current fee of \$250 would sufficiently cover the City's costs.
Operating without an STR Permit				Residents / Operators would prefer to start with citation (no notice/warning) Stiffer penalty structure than those operating with a STR permit	Residents/Operators - No edits. Refer to column to the left.	Staff recommends a fine structure specific to illegal STRs (i.e., those operating without a permit) be included in the amended ordinance including the authority for utility shut offs in situations where illegal operators refuse to cease operating after receiving notice.