Council is interested in:

- Public outreach. Stakeholder discussions.
- Filling in gaps on the Peninsula for vacation rentals?
- Adopting regulations for Homesharing?
- Adopting standard operational guidelines for vacation rentals?
- Pursuing agreements with the online services to disclose rental information and submit TOT to City.
Progress To Date

- Public outreach.
  - March 23rd Public Meeting
  - Newport Beach Association of Realtors
  - Balboa Island Improvement Association
  - Individual meetings with Residents and Realtors
- Evaluated in gaps in limited R-1 zone areas on the Peninsula
- Defined Homesharing
- Drafted expanded operational standards for vacation rentals
- Pursued agreements with the online services to disclose rental information and submit TOT to City.
Short-Term Lodging Permitted

Pre-Ordinance 6/1/2004 - "Grandfathered" 211 Properties
Filling in the Gaps??

- Should Single-Family Districts where STL has been grandfathered allow additional STL permits?
Many of the R-1 areas were created in 1989 because of small lots. Others were always R-1.

Interest to preserve single-family character.

RECOMMENDATION: No change to areas where STL is permitted
Homesharing – What is that?

- Typical vacation rentals are for entire units, and the owners are not present.
- Homesharing means that the owner is present, who rents out a bedroom or even a couch on a short-term basis.
- “Homesharing” is already permitted, but a definition is needed.

An example of “Homer-sharing”
RECOMMENDATION: Create Definition

- “Short term” shall mean occupancy of a lodging unit for a period of thirty (30) consecutive calendar days or less. This also includes a maximum of one written or oral rental agreement within a lodging unit for a period of thirty (30) consecutive calendar days or less, wherein the owner, tenant, agent, or rental manager is the long-term occupant of the lodging unit and is residing at the lodging unit during the term of the rental agreement.
## Operational Standards

**RECOMMENDATION: EXPAND OPERATIONAL STANDARDS**

<table>
<thead>
<tr>
<th><strong>Interior Notification</strong></th>
<th><strong>Exterior Notification</strong></th>
<th><strong>Other</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Name of local contact person on a 24 hour basis. Local contact must be within 10 miles of the unit</td>
<td>Shall display a notice on the exterior that is legible and visible to general public</td>
<td>Max. Occupancy: 2 adults (18 yrs or older) per bedroom</td>
</tr>
<tr>
<td>Number &amp; location of on-site parking</td>
<td>Local contact person phone number that is within 10 miles of unit</td>
<td>Provide City with local contact person information</td>
</tr>
<tr>
<td>Trash pick up day and posting of rules related to trash services</td>
<td>Short Term Lodging Permit number</td>
<td>Short term lodging permit to be displayed on all advertisements</td>
</tr>
<tr>
<td>Street Sweeping Day</td>
<td>City website address, Police Department phone, Code Enforcement phone</td>
<td>Unregistered/Non Compliant Units will be required to vacate the guests from the unit within 24 hours</td>
</tr>
<tr>
<td>Notice that guests are responsible for all activities, violations will result in fines.</td>
<td></td>
<td>No Commercial activities</td>
</tr>
</tbody>
</table>

**Trash pick up day and posting of rules related to trash services:**

- **Exterior Notification:** Short Term Lodging Permit number
- **Other:** Short term lodging permit to be displayed on all advertisements
Code Enforcement

- **Enforcement is key**
  - 2015 – 23 Administrative Citations Issued
  - June 2015 – seasonal employee hired to assist in enforcement
    - Over 250 non-compliant on-line listings identified
    - Of those, 131 obtained the required permits
    - City collected $218,700 in fees and TOT as a result of the enforcement effort

- **Increased Enforcement**
  - Summer 2016 – Seasonal employee to focus on on-line listings
  - Proactive Enforcement Program
  - Noise Abatement: DAC/LUGO Enforcement
  - Use of Tier 2 Fines ($1,000, $2,000, $3,000)
Interactive Map

- Find out where STL is: permitted, not permitted and the status of existing permits.
Online companies such as VRBO, FlipKey, and airbnb have created a whole new facet to vacation rentals. Difficult to regulate because online businesses do not have a physical presence here.
The Internet Effect

- Online companies have said the City rules do not apply to them
- The City disagrees and is working to get them to follow the same rules everyone must follow
- Working with airbnb to get agreement that they will:
  - Only list rentals that have a valid City STLP
  - Allow for auditing of TOT revenue
  - Pay TOT on all rental income received
Next Steps

- August 9, 2016 City Council Meeting–
  - Present Findings to Council and request further direction.