

Short-Term Lodgings and Rentals



COMMUNITY MEETING
JUNE 21, 2016



January 2016 City Council Study Session

2

- **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.

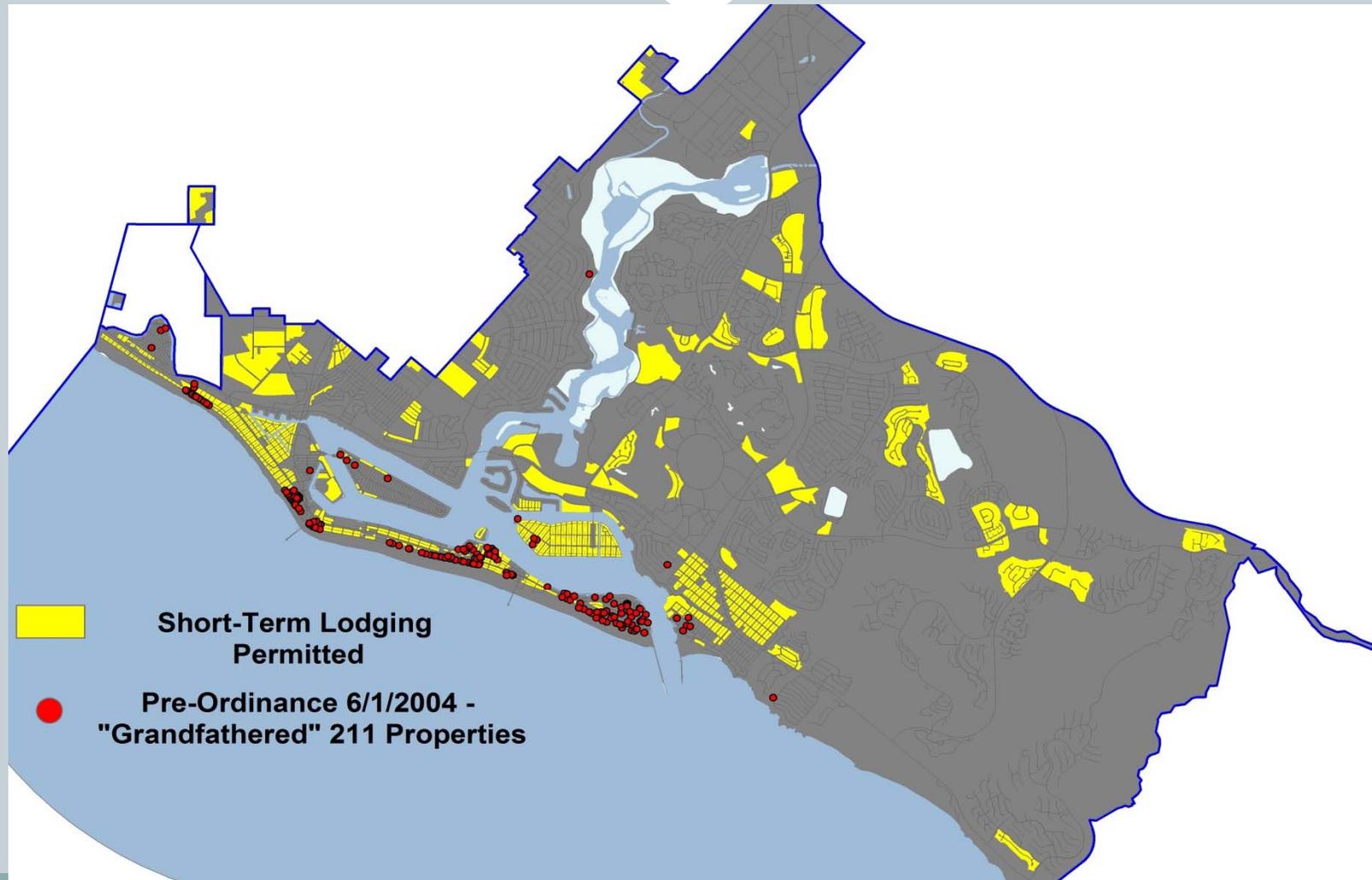
Progress To Date

3

- **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.**

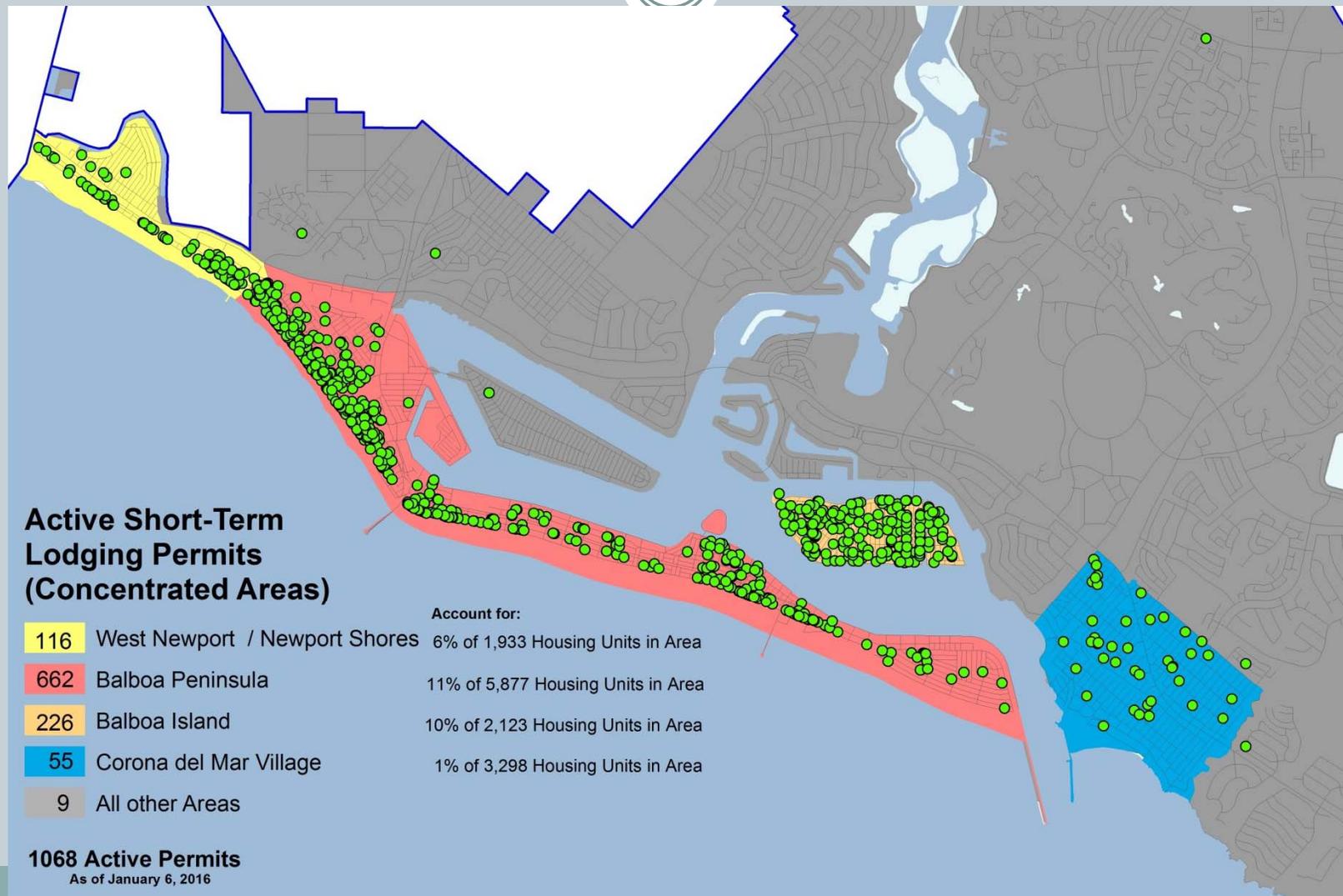
Short-Term Lodging Permitted

4



Active Short-Term Lodging Permits Concentrated Areas

5



Balboa Island Active Permits

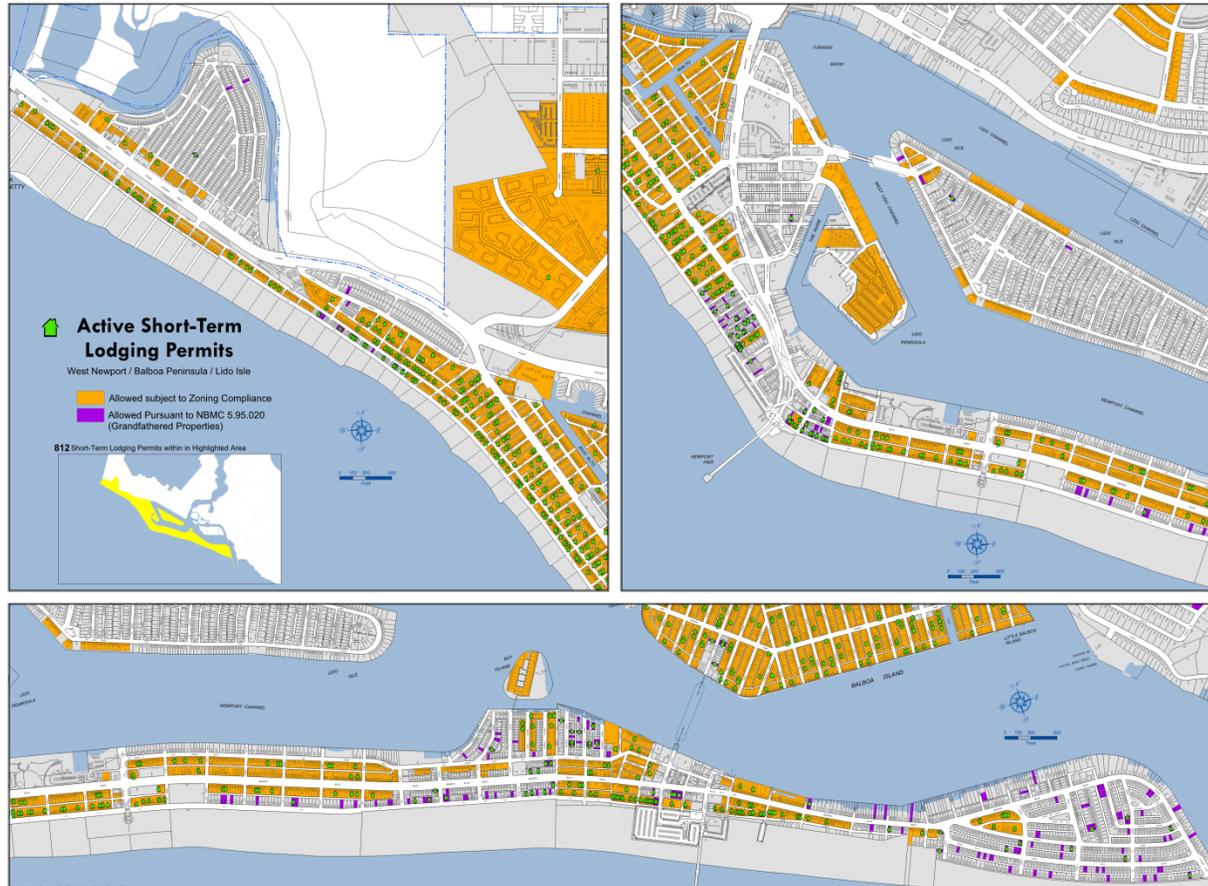
6



Filling in the Gaps??

7

- Should Single-Family Districts where STL has been grandfathered allow additional STL permits?



Filling in the Gaps??

8

- 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.

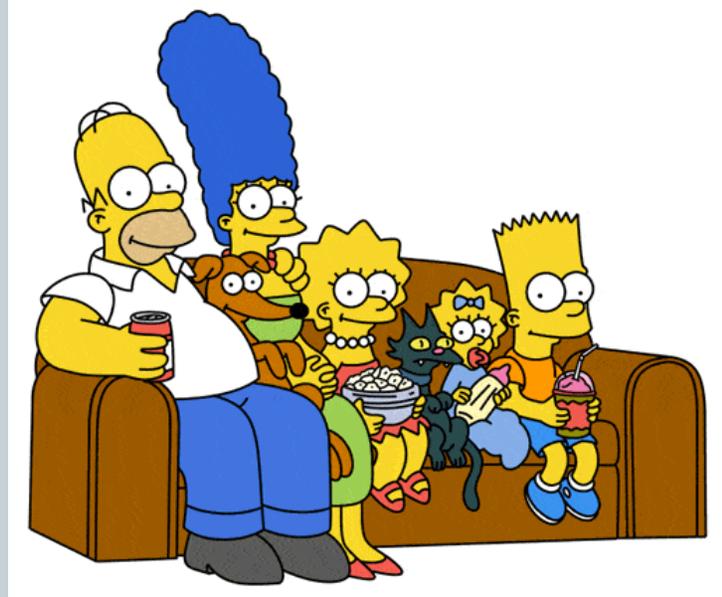
RECOMMENDATION: No change to areas where STL is permitted

Homesharing – What is that?

9

- 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”



Homesharing- continued

10

- **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

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

RECOMMENDATION: EXPAND OPERATIONAL STANDARDS

Code Enforcement

12

- **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

13

- Find out where STL is: permitted, not permitted and the status of existing permits.

Interactive Map & Address Search

The Interactive Map or Address Search tools can assist you with the following information for a particular property:

- Active Short-Term Lodging Permits
- Short-Term Lodging allowed subject to zoning compliance
- Properties permitted prior to June 2004 per M.C. 5.95.020

Click Interactive Map to view or Enter Address Below:

Enter Address
1826 OCEAN FRONT W Search

1826 OCEAN FRONT W

Short-Term Lodging is allowed subject to zoning compliance, but there is not currently an active permit.

PERMITTED

Interactive Map & Address Search

The Interactive Map or Address Search tools can assist you with the following information for a particular property:

- Active Short-Term Lodging Permits
- Short-Term Lodging allowed subject to zoning compliance
- Properties permitted prior to June 2004 per M.C. 5.95.020

Click Interactive Map to view or Enter Address Below:

Enter Address
1908 OCEAN FRONT W Search

1908 OCEAN FRONT W

Short-Term Lodging is prohibited

PROHIBITED

Interactive Map & Address Search

The Interactive Map or Address Search tools can assist you with the following information for a particular property:

- Active Short-Term Lodging Permits
- Short-Term Lodging allowed subject to zoning compliance
- Properties permitted prior to June 2004 per M.C. 5.95.020

Click Interactive Map to view or Enter Address Below:

Enter Address
1824 OCEAN FRONT W Search

1824 OCEAN FRONT W Total Occupants: 9

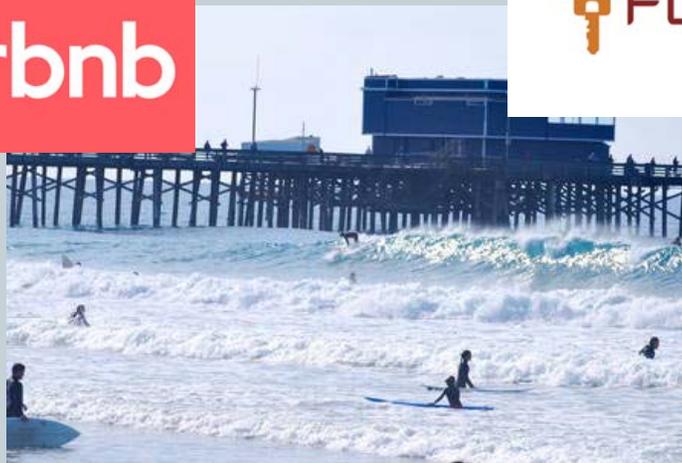
Short-Term Lodging is allowed subject to zoning compliance and there is currently an active permit, SLP11161.

PERMIT STATUS

The Internet Effect

14

- 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

15

- 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

16

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

Questions

17

