SHORT-TERM RENTALS

City Council meeting: January 21, 2020

TIMELINE

- 2017
  - City Council requested a review of STR regulations in other municipalities
  - Staff provided initial feedback and recommended hiring a consultant to conduct a thorough study
- 2018
  - Community outreach events and online survey
  - Case study research
  - City Council presentation and discussion

- 2019
  - STR update memo responding to Council's questions
  - STR phased implementation memo
  - Voluntary tax collection agreement executed with Airbnb
  - Preparation of CEQA documentation
  - Staff met with host platforms and housing advocates
  - STR Ordinance drafted

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Key Elements of Ordinance

- Establishes revocable city registration process

- Protects housing stock by limiting the number of STRs citywide to 1% of housing stock

- Promotes partnerships between City and hosting platforms

- Improves safety (occupancy limits, 24-hour contact, etc.)

- Fosters good neighbor environment (quiet hours, trash collection info)

- A registered STR operator is allowed up to 2 non-primary residence STRs with no limit on un-hosted stays (365 days) and is also allowed **up to 90-days un-hosted stays in primary residence**

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MAXIMUM STRs

A registered STR operator is allowed up to 2 non-primary residence STRs. A registered operator may also operate in their primary residence.

Non-Primary Residence STR
365 days un-hosted stays

Non-Primary Residence STR

Primary Residence STR
90-day limit on un-hosted stays
(No limit on *hosted* stays)

An ~~Accessory Dwelling Unit (ADU) or Duplex on~~ a parcel is considered one primary residence STR

AB 68/AB 881

Non-Primary Residence STR
365 days un-hosted stays

Non-Primary Residence STR

Primary Residence STR and Attached Accessory Dwelling Unit (ADU)*

or

Primary Residence STR and Detached ADU*

or

Primary Residence STR in a Duplex

*90-day un-hosted stay

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STR LIMITS IN MULTI-FAMILY DEVELOPMENTS

Number of dwelling units	2 to 10	11 to 50	51 to 100	101 or more
Number of non-primary residence STRs allowed	1	10%	12%	15%

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STR LIMITS IN MULTI-FAMILY DEVELOPMENTS ILLUSTRATED

Short-Term Rentals
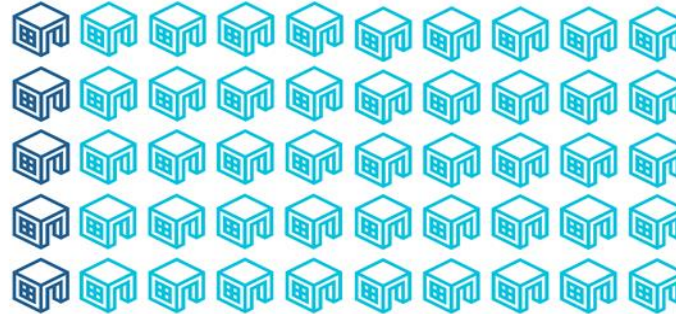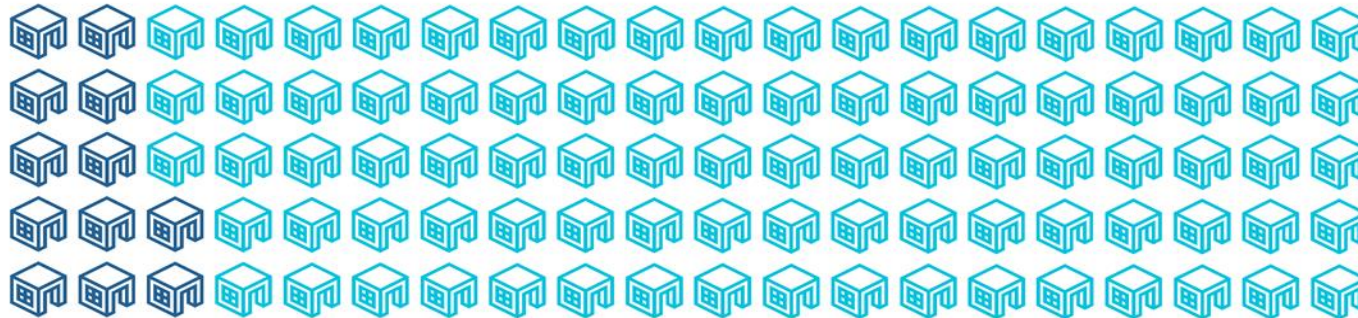
PETITION TO PROHIBIT UN-HOSTED STRs

Property owners can petition to prohibit un-hosted STRs within a census tract

- At least 2/3 of the property owners must sign petition to prohibit un-hosted stays

- If approved the City will provide notice of the restriction to all residential property owners in the affected census tract

- Restriction remains in effect for three (3) years at which point restriction can be lifted by a similar 2/3 petition process

City Registration and Annual Fee Required

- City-issued registration number valid for one (1) year

- Must be renewed on an annual basis

- City registration number must be included in all advertisements/listings

- A citywide registration cap of 1% of City's housing stock allowed as non-primary residence STRs
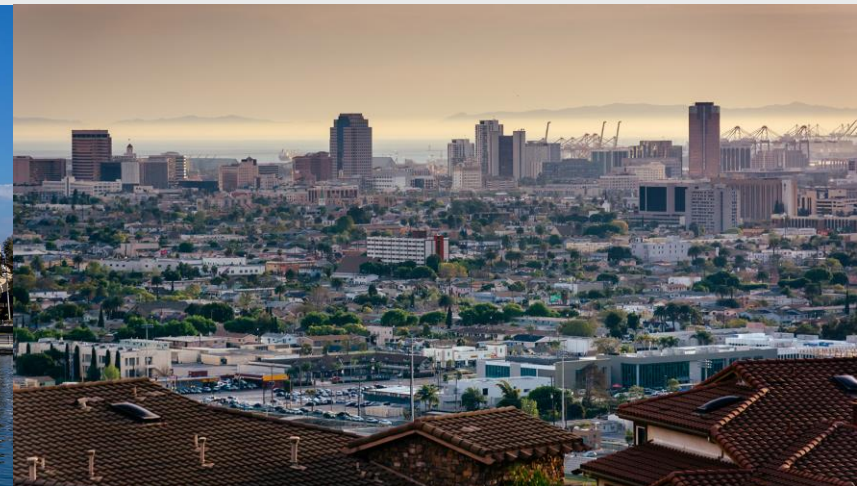
STR REGULATIONS

- Transient Occupancy Tax applies (currently 12% of rental revenue)
- A local 24-hour contact is required for responding to nuisance complaints within one (1) hour
- HOAs or apartment owners may request inclusion on a STR prohibited properties list available on City website
- Occupancy is limited to two (2) guests per bedroom, plus two (2) with a maximum of ten (10)

- STRs are prohibited in deed-restricted affordable housing units, dormitories, and ADUs.
- Existing City Noise Ordinance applies
- Landlord consent form required if unit is subject to a rental agreement
- STR unit must be a legally permitted dwelling unit
- No sign shall be posted on the exterior of the STR unit to advertise the rental

STR LIMITED EVENT PERMIT

- Would allow hosts to accommodate guests in excess of the 10-person maximum for up to six (6) 24-hour periods per year

- Hosts required to notify all neighbors ten days in advance of the event

- Outdoor quiet hours from 10:00 PM to 7:00 AM still apply

STR Limited Event Permit

HOSTING PLATFORM RESPONSIBILITIES

- Hosting platforms cannot complete any booking transactions for an STR if notified by the City that a valid STR registration number has not been issued to the operator

- Platforms shall remove any listings upon notification from the City

- On a monthly basis platforms shall provide to the City:
  - STR registration number of each listing
  - Name of operator
  - Address of STR unit
  - Number of days each unit was booked
  - Total price paid for each rental

ENFORCEMENT

- Violations subject to $1,000 fine per day except a thirty (30) day warning period shall be provided for advertising a STR without a valid registration

- Upon issuance of three (3) fines the STR registration may be revoked

- Violations include, but are not limited to:
  - Failure of local contact to take action to a complaint within one (1) hour
  - Completing a booking transaction without a valid City-issued registration number
  - Violations of STR maximum occupancy
  - Conduct or activities that constitute a public nuisance

- Establishes mechanism to revoke registrations of individual "bad actors"

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INITIAL COMMUNITY FEEDBACK AND RESPONSE

- **Residents continue to voice concerns over "party houses"**
  - Maximum occupancy restriction and creation of STR Limited Event Permit
- **Property owner consent and liability**
  - Verification of property owner consent to be dealt with in administrative process
- **Hosting platforms resistance to data sharing language in ordinance**
  - Language is consistent with recent court rulings
- **Language changes requested to strengthen platform accountability**
  - Existing language is legally robust

PHASED IMPLEMENTATION PLAN

- Ordinance takes effect 181 days after adoption and the initial registration period begins

- During the 181 days program materials will be developed

- Enforcement begins 180 days after initial registration period

- 1 year after enforcement begins staff will report back to Council with data on program operations

NEXT STEPS

- **Adopt ordinance amending Title 21 of Long Beach Municipal Code**

- **Submit Local Coastal Program amendment to California Coastal Commission for approval**

- **Develop implementation guidelines with input from stakeholders**

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Thank you

Kjell Stava

Kjell.Stava@longbeach.gov