ORD-24

CHARLES PARKIN, City Attorney 411 West Ocean Boulevard, 9th Floor

ORDINANCE NO.

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF LONG BEACH AMENDING THE LONG BEACH MUNICIPAL CODE BY ADDING CHAPTER 5.77, RELATED TO SHORT-TERM RENTALS

The City Council of the City of Long Beach ordains as follows:

Section 1. The Long Beach Municipal Code is amended by adding Chapter 5.77 to read as follows:

CHAPTER 5.77 SHORT-TERM RENTALS

5.77.010 Purpose.

The purpose of this Chapter is to establish regulations, standards, and a registration process governing the renting or leasing of privately owned visitor serving residential dwelling units on a short-term basis in order to maintain the long-term rental housing stock in the City; ensure the collection and payment of Transient Occupancy Taxes ("TOT"); safeguard the residents of the City of Long Beach by ensuring that short-term rental activities do not threaten the character of residential neighborhoods; and ensuring that such short-term rental activities do not become a nuisance, or threaten the public health, safety or welfare of neighboring properties.

5.77,020 Definitions.

A. "Booking transaction" means any reservation and/or payment service provided by a person or entity who facilitates a short-term rental

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transaction between a prospective guest and a short-term rental operator.

- B. "City" means City of Long Beach.
- C. "Director" shall mean the Director of Development Services or a person designated by the Director to act in her/his stead.
- D "Guest" means any person or persons renting a short-term rental for transient occupancy.
- E. "Host" means the natural person or persons, at least one of whom is an occupier of the property at the time of, and for the duration of, the short-term rental, who is/are the owner of record of the property or operates the property, and includes a personal or family trust consisting solely of natural persons and the trustees of such trust or a limited liability company and the members of such company.
- F. "Hosted stay" means a short-term rental activity at a primary residence whereby the host occupies the short-term rental property and remains on-site and resides in a habitable dwelling unit or portion thereof throughout the guest's stay (except during daytime and/or work hours).
- G. "Hosting platform" means a person or entity that participates in the short-term rental business by collecting or receiving a fee, directly or indirectly through an agent or intermediary, for conducting a booking transaction using any medium of facilitation.
- Н. "Local contact person" means the person designated by the operator to respond to and take remedial action regarding STR complaints.
- ١. "Platform agreement" means a signed agreement between a hosting platform and the City, which, among other things, provides that the hosting platform will collect and submit transient occupancy tax to the City on behalf of short-term rental operators.
- J. "Primary residence" means a person's permanent residence or usual place of return for housing as documented by at least two (2) of the

following: motor vehicle registration; driver's license; voter registration; tax documents showing the residential unit as the person's residence; or a utility bill. A person may have only one (1) primary residence for the purpose of this Chapter and must reside there for a minimum of two hundred seventy-five (275) days during the calendar year. For properties with two (2) existing legally permitted dwelling units (e.g., a duplex), the term "primary residence" shall refer to the parcel of land and both units on that parcel.

- K. "Primary residence STR" means a primary residence being operated as a short-term rental.
- L. "Prohibited buildings list" means a list identifying the address(es) of all buildings whose owner(s), including any applicable homeowners' association or board of directors, have notified the City, pursuant to City procedures, that short-term rentals are not permitted to operate anywhere in such building, including deed restricted affordable housing units.
- M. "Short-term rental ("STR")" means a hosted stay at a residential dwelling unit, or portion thereof, that is offered or provided to a paying guest(s) by a short-term rental operator for thirty (30) or fewer consecutive nights. The term "short-term rental" shall not include hotels, motels, inns, or bed and breakfast inns.
- N. "Short-term rental advertisement" means any method of soliciting use of a dwelling unit for short-term rental purposes.
- O. "Short-term rental operator" or "operator" means any person who is the owner or tenant of a dwelling unit, or portion thereof, who offers or provides that dwelling unit, or portion thereof, for hosted short-term rental use.
 - P. "Single room occupancy" is as defined in Section 21.15.2667.
 - Q. "Special group residence" is as defined in Section 21.15,2810

and 21.52.271.

- R. "Tenant" means a person who has a rental agreement for a dwelling unit in which the rental payments are paid on a monthly or other periodic basis in exchange for occupancy of the dwelling unit.
- S. "Transient occupancy tax" ("TOT") means local transient occupancy tax as set forth in Chapter 3.64 of the Long Beach Municipal Code.
- T. "Un-hosted stay" means a short-term rental activity whereby the host, as that term is defined herein, resides off-site during the guest's stay.

5.77.030 Registration required.

- A. No person or entity shall advertise, rent, or operate a short-term rental in the City unless a short-term rental (STR) registration has been issued by the City pursuant to this Chapter. An operator of the STR shall register with the City and shall be responsible for all requirements of this Chapter. Application for a STR shall be in a form prescribed by the Director with all information determined by the Director to be necessary to evaluate the eligibility of the operator, consistent with this Chapter.
- B. Eligibility requirements. The following requirements must be met at the time of submitting a STR registration application:
- 1. The dwelling unit shall not be an accessory dwelling unit (ADU), a junior accessory dwelling unit (JADU), a deed restricted affordable housing unit, in a special group residence, a single room occupancy, or included on the prohibited buildings list.
- 2. The STR operator shall not operate more than one (1) primary residence STR in the City.
 - 3. The number of -primary residence STRs in multi-family

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development projects shall not exceed the number of dwelling units identified in the Table below:

Number of dwelling units in residential development	Number of primary residence STRs allowed per development project		
2 to 10	1		
11 to 50	10%		
51 to 100	12%		
101 or more	15%		

- 4. The STR operator shall identify, to the satisfaction of the City, a local contact person, who may be the person conducting the hosted stay, who shall be available twenty-four (24) hours per day, seven (7) days a week for: (1) responding within one (1) hour to complaints regarding the condition, operation, or conduct of the STR or its occupants: and (2) taking any remedial action necessary to resolve such complaints.
- 5. A signed and notarized property owner consent form shall be provided if the STR operator is not the property owner.
- 6. The dwelling unit or property shall not be the subject of any active or pending code enforcement actions or violations pursuant to the City's Municipal Code.
- 7. No STR registration for the dwelling unit has been revoked within the last twelve (12) months.
- If the dwelling unit is subject to the rules of a homeowners' or condominium association, allowance to engage in hosted short-term rental activity through this Chapter shall not be inferred to grant any permission that invalidates or supersedes any provisions in those documents.
- 9. The operator shall sign an indemnification and hold harmless agreement in a form approved by the City Attorney, agreeing to

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indemnify, save, protect, hold harmless, and defend the City of Long Beach. the City Council of the City of Long Beach, individually and collectively, and the City of Long Beach 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 the operator's actions or inaction in the operation, occupancy, use. and/or maintenance of the short-term rental,

> 10. The unit shall be legally permitted as a dwelling unit.

5,77,040 Expiration and renewal.

Α. A STR registration is valid for one (1) year from the date of issuance. It may not be transferred or assigned and does not run with the land. A STR registration may be renewed annually if the operator; (1) pays the renewal fee; (2) provides information concerning any changes to the previous application for, or renewal of, the STR registration; (3) submits records described in Section 3.64,080 for the last year to demonstrate compliance with this Chapter.

B. Failure to submit a renewal application to the City at least thirty (30) days prior to the expiration of the registration shall render the registration and permission to operate an STR null and void.

5.77.050 Short-term rental regulations.

- A. All marketing and advertising of a STR, including any listing on a hosting platform, shall clearly list the City-issued STR registration number.
- B. Short-term rental is prohibited in any part of the property not approved and permitted for residential use including, but not limited to, a vehicle parked on the property, a storage shed, trailer, garage, boat or

similar watercraft, tree house, or any temporary structure, including, but not limited to, a tent.

- C. Un-hosted stays in a STR are prohibited in the City of Long Beach.
- D. Each STR shall have a notice posted within the unit in a location clearly marked and accessible to the guest (e.g., posted on the refrigerator, included within a binder with additional information on the unit, etc.), containing the following information:
- 1. The maximum number of occupants permitted in the unit;
- 2. Parking capacity, location of parking spaces, and parking rules, if any;
 - 3. Trash and recycling pickup information;
- 4. The name of the local contact and a telephone number at which that person may be reached on a twenty-four (24) hour basis;
- 5. Emergency contact information for summoning police, fire, or emergency medical services; and
- 6. Evacuation plan for the unit showing emergency exit routes, exits, and fire extinguisher locations.
- E. The maximum number of persons, including the host or hosts, who may occupy the STR at one (1) time shall be limited to two (2) persons per bedroom, plus two (2). This calculation shall be inclusive of children. Lofts that meet California Building Code egress requirements are considered a bedroom for the purposes of this occupancy calculation. In no event may the maximum occupancy exceed ten (10) persons in any STR. Large-scale events (i.e., exceeding maximum allowed occupancy) such as commercial parties, weddings, fundraisers, and conferences, are prohibited as part of the short-term rental use, unless a STR occasional event permit

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has been issued.

- Use of all outdoor pools, spas and hot tubs shall be prohibited F. between the hours of 10:00 p.m. and 7:00 a.m.
- G. All activities shall comply with all provisions of the Municipal Code, including, but not limited to Chapter 9.31 (Loud Parties on Private Property) and Chapter 8.60 (Solid Waste, Recycling and Litter Prevention).
- Η. No sign shall be posted on the exterior of the STR premises to advertise the availability of the STR rental unit to the public.
- No person shall offer, advertise, book, facilitate, or engage in 1. short-term rental activity in a manner that does not comply with this Chapter.
- J. Short-term rentals shall comply with all applicable laws and regulations of the City including those pertaining to health, safety, building, and fire protection.
- K. The STR operator shall pay all applicable fees and charges set by the City Council by resolution as may be necessary to effectuate the purpose of this Chapter.
- L. It is unlawful for any STR host, operator, occupant, renter. lessee, person present upon, or person having charge or possession of the STR premises, to make or continue to cause to be made or continued any loud, unnecessary or unusual noise which disturbs the peace and quiet of any neighborhood, or which causes discomfort or annoyance to any reasonable person of normal sensitivities residing in the area, or which violates any provision of Chapter 8.80 ("Noise") of this Code.
- M. The appearance of the STR premises shall not conflict with the residential character of the neighborhood. All applicable development, design, and landscaping standards, including, but not limited to, those contained in Title 21 of this Code, are expressly made applicable to any premises used for STR purposes.

5.77.060 Short-term rental operator requirements.

- A. The operator shall provide information on the maximum allowed number of occupants, parking capacity and location of parking spaces, noise regulations and quiet hours, and trash and recycling disposal requirements to prospective guests, prior to their occupancy of the unit.
- B. The operator shall provide and maintain working fire extinguishers, smoke detectors, and carbon monoxide detectors, in compliance with life, fire, and safety codes; and information related to emergency exit routes on the property, local contact, and emergency contact information.
- C. The operator shall maintain and provide proof of liability insurance appropriate to cover the short-term rental use in the aggregate of not less than one million dollars (\$1,000,000); or conduct each short-term rental transaction through a platform that provides equal or greater insurance coverage.
- D. Transient Occupancy Taxes shall be collected on all Short-Term Rentals. If a Hosting Platform does not collect payment for the rental, operators are solely responsible for the collection of all applicable TOT and remittance of the collected tax to the City in accordance with Chapter 3.64 (Transient Occupancy Tax). If a Hosting Platform does collect payment for the rentals, then it and the operator shall both have legal responsibility for the collection and remittance of the TOT.
- E. The operator and property owner shall be jointly responsible for any nuisance violations arising at a property during short-term rental activities.
- F. The operator shall authorize any hosting platform on which his or her STR(s) is listed to provide to the City the operator listing and other information to demonstrate compliance with all provisions of this Chapter.

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- G. The operator must consent to receive all City notices and fines regarding STR registration by U.S. mail.
- 5.77.070 Hosting platform responsibilities.
- A. Hosting platforms shall not process or complete any booking transaction for any STR, unless the STR has a valid current STR registration number issued by the City to the operator. Hosting platforms are required to list the STR registration number and expiration date.
- B. Within forty-five (45) days of the effective date of this Ordinance, hosting platforms with listings located in the City shall provide to the City contact information for an employee or representative of the hosting platform that will be responsible for responding to requests for information from the City, including requests related to possible violations of this Chapter.
- C. Subject to applicable laws, a hosting platform with listings located in the City shall provide to the City on a monthly basis, in a format specified by the City, the STR registration number of each listing, the name of the person responsible for each listing, the address of each such listing, and, for each booking that occurs within the reporting period, the number of days booked, and the total price paid for each rental.
- D. In the event a hosting platform has entered into a platform agreement, and an operator has assigned the responsibilities for the collection and remittance of transient occupancy tax to the hosting platform, then the hosting platform and the operator shall have the same duties and liabilities, including but not limited to the collection and remittance of transient occupancy tax to the City in compliance with this Chapter and Chapter 3.64 (Transient Occupancy Tax) of this Code.
- E. The provisions of this Section shall be interpreted in accordance with otherwise applicable State and Federal law(s) and will not

apply if determined by the City to be in violation of, or preempted by, any such law(s).

- F. Hosting platforms shall remove any listings for STRs, including those on the City's prohibited buildings list, from the platform upon notification by the City. The City Manager shall develop, by administrative regulation, processes and procedures for the removal of any listing.
- G. Hosting platforms shall inform all operators who use the platform of the operator's responsibility to collect and remit all applicable local, state, and federal taxes, unless the platform has a platform agreement.
- H. It is unlawful to be a hosting platform operating in the City unless the responsibilities in this Section are fully complied with.

5.77.080 Enforcement.

- A. It is unlawful to violate the provisions of this Chapter.

 Violations include, but are not limited to:
- 1. Failure of the local contact to take action to respond to a complaint within one (1) hour after the complaint is received or a contact is attempted, and the local contact cannot be reached;
 - 2. Failure to notify the City when the local contact information changes;
- 3. Violation of the STR maximum occupancy, noise, or other requirements as set forth in this Chapter;
- 4. Providing false or misleading information on a STR registration application or other documentation required by this Chapter;
- 5. Any attempt to rent an unregistered STR by advertising the property for short-term rental purposes;
- 6. Completing a booking transaction in the City without a valid City-issued registration number;

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- 7. Completing a booking transaction where the STR registration has been revoked or suspended by the City:
- 8. Violations of state, county, or City health, building, or fire regulations;
- Conduct or activities that constitute a public nuisance or 9. which otherwise constitute a hazard to public peace, health, or safety;
- 10. Authorizing, permitting, facilitating or otherwise allowing any un-hosted short-term rental occupancy or activity in any dwelling unit in the City.
- B. Unless otherwise described in this Section, enforcement of this Chapter shall be subject to the processes and procedures in Chapter 1.32 of the Municipal Code.
- C. Notwithstanding anything to the contrary in Chapter 1.32, the fine shall be one thousand dollars (\$1,000) for each violation. Each separate day in which a violation exists may be considered a separate violation. However, a thirty (30) day warning period shall be provided prior to issuing fines for advertising a STR without a valid registration number.
- D. If three (3) fines have been issued against a STR operator within a twelve (12) month period, the STR registration may be revoked or suspended or additional conditions may be imposed by the Director by providing written notice to the operator setting forth the basis of the intended action and giving the operator an opportunity, within fourteen (14) calendar days, to present responding information to the Director. After the fourteen (14) day period, the Director shall determine whether to revoke the registration, suspend the registration, or impose additional conditions upon the registration and thereafter give written notice of the decision to the operator. If a STR registration is revoked, the STR may not be re-registered with the City for a period of twelve (12) months from the date of revocation.

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regardless of who is the STR operator.

- E. The City hereby finds and declares that repeated violations of this Chapter constitute a public nuisance which may be enjoined under all applicable laws including Code of Civil Procedure Section 731.
- F. Any person, hosting platform, or STR operator convicted of violating any provision of this Chapter in a criminal case or found to be in violation of this Chapter in a civil or administrative action brought by the City shall be ordered to reimburse the City its full investigative and enforcement costs, pay back all unpaid TOT if applicable, and remit all illegally obtained rental related revenue to the City.
- G. If any violation of this Chapter is found to exist, the City may issue an administrative citation to any operator pursuant to Chapter 9.65 of this Code.
- H. The City may take any other action permitted by law or equity to ensure compliance with this Chapter, including, but not limited to, general code enforcement procedures set forth in Titles 5, 9, 18 and 21 of this Code.
- The City may issue and serve administrative subpoenas as necessary to obtain specific information regarding STR listings located in the City, including, but not limited to, the names of the persons responsible for each such listing, the address of each such listing, the length of stay for each such listing, and the price paid for each stay, to determine whether the STR listings comply with this Chapter. Any subpoena issued pursuant to this Section shall not require the production of information sooner than thirty (30) days from the date of service. A person, hosting platform, or STR operator that has been served with an administrative subpoena may seek judicial review during that thirty (30) day period.
- J. Any person, hosting platform, or STR operator aggrieved by a decision of the Director with respect to the provisions of this Chapter may

appeal the decision to the Board of Examiners Appeals and Condemnation ("BEAC"). The decision of the BEAC shall be final, subject to judicial review pursuant to Code of Civil Procedure Sections 1094.5 and 1094.6.

K. The remedies provided in this Section are cumulative and not exclusive, and nothing in this Section shall preclude the use or application of any other remedies, penalties, or procedures established by law.

5.77.090 Fees.

The City Council may establish and set by resolution all fees and charges as may be necessary to effectuate the purpose of this Chapter.

5.77.100 Administration.

A. The City Manager, or designee, shall have the authority to establish administrative rules and regulations consistent with the provisions of this Chapter for interpreting, clarifying, carrying out, furthering, and enforcing the requirements and the provisions of this Chapter.

B. If any provision of this Chapter conflicts with any provision of Title 21 (Zoning), the terms of this Chapter shall control.

5.77.110 Operator registration period.

STR operators shall apply for registration pursuant to this Chapter within one hundred eighty (180) days after the effective date of this Chapter.

5.77.120 Severability clause.

If any provision or clause of this Chapter or the application thereof to any person or circumstances is held to be unconstitutional or to be otherwise invalid by any court of competent jurisdiction, such invalidity shall not affect other section provisions or clauses or applications, and to this end

OFFICE OF THE CITY ATTORNEY CHARLES PARKIN, City Attorney 411 West Ocean Boulevard, 9th Floor Long Beach, CA 90802 the provisions, sections and clauses of this ordinance are declared to be severable.

Section 2. The City Clerk shall certify to the passage of this ordinance by the City Council and cause it to be posted in three (3) conspicuous places in the City of Long Beach, and it shall take effect on the one hundred twenty-first (121st) day after it is approved by the Mayor.

I hereby certify that the foregoing ordinance was adopted by the City

Council of the City of Long Beach at its meeting of ________, 2020, by the following vote:

Oddron or the	olly of Long De	acii at ita ince	ung or		, 2020
by the followir	ng vote:				
Ayes:	Counc	ilmembers:			
Noes:	Counc	ilmembers:		· · · · · · · · · · · · · · · · · · ·	
Abser	nt: Counc	silmembers:			
Recus	sal(s): Counc	ilmembers:			,
				City Clerk	
Approved:					

Mayor

(Date)