

# South Bay Cities Council of Governments

## ***Short Term Rental Task Force***

Wednesday, December 7, 2016  
3:30 to 5:00 p.m  
Hermosa Beach Council Chambers  
Hermosa Beach City Hall  
1315 Valley Drive

### Agenda

- I. **Welcome**
- II. **Self Introductions update any change in the status of Short Term Rentals in your city**
- III. **Meeting Notes from September 26, 2016 – Receive and file**
- IV. **Speakers invited:**
  - a. **Newport Beach – Brenda Wisneski, Newport Beach Deputy Director for Community Development – CONFIRMED**
  - b. **Host Compliance – Ulrik Binzer, Founder & CEO - CONFIRMED**
    - i. **Effectiveness of bans**
    - ii. **Alternatives to bans**
    - iii. **Revenue generation to offset enforcement**
  - c. **Santa Monica – Denise Smith (invited)**
- V. **General Discussion**
- VI. **Summary and Next Steps**
  - a. **Invitation to City of Los Angeles**
- VIII. **Next Meeting – Wednesday, March 1, 2017 @ 3:30 pm – Hermosa Beach??**

## **RANGE OF ISSUES TO BE DISCUSSED**

- a. **Specific issues cities are dealing with:**
  - i. **Parties, noise, trash**
  - ii. **Owner present – “Home sharing”**
  - iii. **Single rooms and guest houses**
  - iv. **Only in certain areas of the city**
  - v. **Needed income for residents**
  - vi. **Boosts local economy**
  - vii. **Can lower property values**
  - viii. **RENTING APARTMENTS OUT LIKE HOTEL ROOMS – RAISE RENT SO TENANTS MOVE OUT AND THEN DOING THIS. TENANTS ALSO DOING THIS. MORE PROFITABLE THAN LONG TERM RENTALS**
  - ix. **PARKING AND TRAFFIC**
  - x. **LOSS OF TOT**
  - xi. **IMPACT ON LONG TERM RENTALS**
  
- b. **Overall Options**
  - xii. **Total Ban**
  - xiii. **Permit**
  - xiv. **By Right with registration**
  - xv. **6 month trial**
  - xvi. **Permanent residency requirement (same documentation as for school enrollment)**
  - xvii. **People limit/parking limit**
  - xviii. **SANTA MONICA REQUIRES HOMEOWNER BE PRESENT**
  - xix. **LIMIT GEOGRAPHICAL AREAS IN THE CITY**
  - xx. **DAYS PER YEAR**
  
- c. **Costs**
  - xxi. **Fee/tax enough to discourage violations and pay for enforcement**
  - xxii. **Ban pushes rentals underground with no taxes**
  - xxiii. **Privacy issues**
  - xxiv. **Difficulty in getting evidence**
  - xxv. **HB – VIOLATIONS ARE \$2500/DAY. BASED ON ADVERTISING ON THE INTERNET. GRADUATED FINE. 3<sup>RD</sup> VIOLATION IT’S REFERRED TO PROSECUTOR. FAILURE TO PAY – TIED TO BUILDING PERMITS WOULD BE PROHIBITED COULD BE THE PENALTY. HOST COMPLIANCE GIVES THEM THE DATA. ALSO HOST COMPLIANCE MATCHES PHOTOGRAPHS WITH GOOGLE STREET IMAGE. TROUBLE WITH MULT-UNITS. STARTED SEPTEMBER 23. 6 MONTH CANCELLATION. NOT 100% ACCURATE. HOST COMPLIANCE SENDING LETTERS FOR HERMOSA BEACH – JUST THE FIRST ONE. THEN THE CITY FOLLOWS UP. WARNINGS FIRST BY REGISTERED MAIL.**
  - xxvi. **HOST COMPLIANCE ONLY SUPPORTING COMPLIANCE, NOT BAN**

- xxvii. REDONDO BEACH – IDENTIFICATION AND ENFORCEMENT. NOW NOT ENFORCEMENT.
- xxviii. HOST COMPLIANCE DOESN'T TESTIFY PROBABLY.
- xxix. RB PROSECUTOR – STARTED A FEW MONTHS AGO. POLICE TRIED TO RENT BUT BECAME A PROBLEM TO MAKE IT ALL UP. SO THEN POLICE WOULD GO OUT AND TRY TO GET THE CONTRACTS. THEN CODE ENFORCEMENT FOLLOWS UP. COMPLAINTS MOSTLY AT NIGHT SO POLICE INVOLVED. TRAINING OFFICERS IS A HURDLE – WHAT INFORMATION NEEDED FOR PROOF. NO FORMAL TRAINING – PUT OUT A MEMO OF WHAT THEY NEEDED. TOOK SOME TIME.
- xxx. REDONDO BEACH – RESPONDING TO COMPLAINT CALLS THAT THEY WOULD HAVE ANYWAY. AD COULD READ – 30 DAYS BUT WILL PRO-RATE.
- xxxi. HB HOST COMPLIANCE CONTRACT FOR ABOUT 400 PROPERTY ESTIMATE \$25,000 WITH SURCHARGE FOR REGISTERED MAIL. CAME DOWN TO 180. TOOK 6 MONTHS TO NEGOTIATE A CONTRACT.
- xxxii. HB COSTS – NEW CODE ENFORCEMENT OFFICER, \$25,000, POLICE, LITIGATION COSTS, HEARINGS.
- xxxiii. FRANKLIN – ASSET FORFEITURE FUNDS? HAS HERMOSA CONSIDERED THAT?
- xxxiv. HB – LESS COMPLAINTS BUT MORE CONCERN RE: THOSE THAT AREN'T STOPPING. WILL TAKE A WHILE. MAYBE EARLY NEXT YEAR.

**d. Code Enforcement under each option**

- xxxv. What are key components of an achievable enforcement framework, when the City is pursuing a prohibition of short-term rentals?
- xxxvi. Have any member cities engaged in effective strategies with their law enforcement agencies to address short-term rental complaints?
- xxxvii. **Host Compliance contractor**

“With the rise of the short-term rental phenomenon, many cities are struggling to come up with a fair and effective system for maximizing the benefits of home-sharing while mitigating any negative impact on neighbors and the community. Host Compliance helps municipalities understand the scale and scope of the short-term rental activity in their community and enact short-term rental regulation that minimizes any noise, trash, parking and traffic problems, as well as impacts on housing and neighborhood character. Once such rules are adopted, Host Compliance can manage the registration, permitting, compliance monitoring and enforcement processes so city staff can focus on higher value-added activities.” (Host Compliance website)

- **Hermosa Beach/Los Angeles use Host Compliance (per their website)**
- **Are there other outside vendors and if so has anyone sought assistance from them to assist in monitoring services of host platforms**
- **What has been the overall experience with seeking such assistance?**

**e. Other**

- xxxviii. In cases where a coastal city took action to prohibit short-term rentals, how did the city address the CA Coastal Commission's goal of greater accessibility to coast/ beach areas? **ONLY COASTAL STAFF HAS WEIGHTED IN, NOT THE COMMISSION.**

**HOGIN:**

**MALIBU – DIFFERENT – LOTS HUGE. DOESN'T CREATE THE SAME CONFLICT. IN LAST YEAR – COLLECTED OVER \$1 MILLION FROM AIRBNB. PRESSURE TO BAN IN MULTI-FAMILY AND ON THE BEACH.**

**CODE ENFORCEMENT – DO COORDINATED CAMPAIGN? AIRBNB HAS VIDEOS RE: HELPING PEOPLE TO STAY IN THEIR HOMES. THAT IS A SMALL PERCENTAGE. INSTEAD PEOPLE EVICTING TENANTS AND THEN RENTING ROOMS.  
LOTS OF INNOCENT VIOLATORS.**

**SBCCOG DO COORDINATED EDUCATION CAMPAIGN. WHAT THE LAWS ARE AND WHY?**

**NEWPORT BEACH REACHED OUT TO HB. MEETING NEXT THURSDAY AT 9 AM NEXT WEEK.**

**SANTA MONICA – HOME SHARE – HB – HOW TO ENFORCE.**

**BAN WILL PREVENT PROLIFERATION. RPV HAS CA. 60. DON'T WANT TO CHANGE THE NATURE OF THE CITY.**

**JENKINS – THERE IS DOUBT ABOUT THE AMOUNT OF FINES. HB USES \$2500 BECAUSE IT'S A CRIMINAL MISDEANOR – OTHER FINES ARE RESTRICTED TO \$1000. HASN'T BEEN TESTED YET.**

**FINE HAS TO BE PAINFUL BUT RB WENT WITH EXISTING FORMAT. HB USES EXISTING FINES.**

**IS THERE A COG AND LEAGUE ROLE FOR MORE LEVERAGE WITH THE WEBSITES THAT ARE HANDLING HOSTING? LEAGUE BELIEVES THAT CITIES THROUGH EXISTING LAW CAN PROVIDE THE NECESSARY REGULATION. HASN'T BEEN CHALLENGED IN COURT. WORKED ON A BILL BUT IT DIDN'T GO ANYWHERE. AIRBNB KILLED IT.**

**HOGIN – WE KNOW THAT WE HAVE THE AUTHORITY. ISSUE HAS TO DO WITH AIRBNB, NOT THE HOST. THEY SAY THAT THEY AREN'T DOING BUSINESS IN THEIR TOWN. THEY ARE JUST A BULLETIN BOARD IN SPACE. NEED THIS MODEL OF BUSINESS SUBJECT TO LOCAL JURISDICTION.**

**THEY ARE SUING SANTA MONICA BECAUSE SANTA MONICA REQUIRES AIRBNB TO GIVE THEM INFORMATION AND THEY TAKE THE POSITION THAT THEY AREN'T DOING BUSINESS IN THEIR CITY.**

**AIRBNB COLLECTS TAX IN LA AND SANTA MONICA. THEY WORK WITH CITIES THAT ALLOW.**

**CHAMBERS OF COMMERCE, HOTELS AND UNIONS ARE ALLIES FOR THE BAN.**

**GARDENA – ISSUES WITH ILLEGAL GARAGE CONVERSIONS. WORRIED ABOUT SAFETY. CREATING PLACES? DO THEY MEET CODE? ADA ACCESSIBILITY?**

**MUNICIPAL CODE SHOULD REGULATE WHERE A BUSINESS SHOULD FUNCTION.**

**RB HAS MULTI-UNIT BUSINESS LICENSE REGULATION. THEREFORE CAN GO AFTER THEM THROUGH THAT LICENSE. NO INSPECTION REQUIRED.**

**HORVATH – DISRUPTIVE TECHNOLOGY – WHAT HE WOULD LIKE TO COME OUT OF THIS – HOW TO ADDRESS WIN/WIN FOR THIS? HOW TO ADDRESS THIS IN GENERAL PLAN?**

**KIERNAN – SOME CITIES FIND BENEFITS TO NOT BANNING. SOME STUDIES SHOW THAT THERE CAN BE ECONOMIC IMPACTS. MISETICH – AT WHAT PRICE? WE REPRESENT THE PEOPLE.**

**HOGIN – QUALITY OF LIFE ISSUES DON'T GET A LOT OF NOTICE. FEDERAL GOVERNMENT LOOKING AT THIS RE: THE EFFECT ON THE HOUSING STOCK – FEEDS THE HOUSING CRISIS.**

**RB – RENTAL HOUSING VACANCY SURVEY- THIS HAS BEEN AS LOW AS IT'S EVER BEEN. THIS IS DISPLACING REGULAR RENTERS.**

**PARAMOUNT GOAL IS HOUSING.**

**DON'T WANT TO LEARN FROM AIRBNB. WANT TO LEARN FROM CITIES AND FIND OUT PROS AND CONS.**

**Attendees:  
Carson – Richard Rojas**

**El Segundo – Sam Lee**  
**Gardena – Raymond Barragan & one other**  
**Hawthorne – Hamid??**  
**Hermosa Beach – Hany Fangary**  
**Inglewood – Ralph Franklin, Fred Jackson**  
**Lomita – Gary Sugano**  
**Manhattan Beach – Amy Howorth**  
**Rancho Palos Verdes – Ken Dyda, Ara Mihranian, Octavio Silva & Julie Peterson**  
**Redondo Beach – Christian Horvath, Aaron Jones, Joy Abaquin (prosecutor)**  
**LCC – Jeff Kiernan**