

Commission Agenda Report

To: Chair Pierson and Members of the Planning Commission

Prepared by: Bonnie Blue, Planning Director *BMB*

Date prepared: November 9, 2017 Meeting date: November 20, 2017

Subject: Short Term Rental Ordinance

RECOMMENDED ACTION: Adopt Planning Commission Resolution No. 17-83 (Attachment 1) determining the project is categorically exempt from the California Environmental Quality Act (CEQA), and recommending the City Council approve Zoning Text Amendment (ZTA) No. 17-002 amending Title 17 (Zoning) of the Malibu Municipal Code (MMC) relating to the short term rental of residential property.

DISCUSSION: On October 10, 2016, the Council directed staff to develop an ordinance addressing short term rental of residential properties. On May 23, 2017, the Zoning Ordinance Revisions and Code Enforcement Subcommittee (ZORACES) discussed a draft ordinance.¹

Short term rental of residential property is currently allowed in single-family homes in the City so long as such rental complies with the Malibu Municipal Code (MMC), the property is registered with the City, and Transient Occupancy Tax (TOT) is properly remitted. This includes MMC regulations addressing parking, noise, special event gatherings (permit needed for events with 15 or more people²) and nuisance issues. The City provides 24/7 on-call monitoring services of short term rentals through SWS³ to ensure noise, parking and other MMC requirements are complied with.

There are approximately 177 individual properties that are currently registered as short term rentals in Malibu and are remitting TOT on a regular basis. These properties have complied with the City's registration requirements and are subject to the City's 12 percent TOT. In April 2015, AirBnB began collecting and remitting TOT for properties in the City that were rented through its website. Currently, there are approximately 200 properties that have registered through AirBnB. In Fiscal Year 2016-2017, the City received \$1.8 million in revenue from short term residential rentals.

¹ This report is available at City Hall or online at malibucity.org/agendacenter

² MMC Section 5.34.020(C)

³ SWS is a firm under contract with the City to manage film permitting and to respond to complaints regarding short term rentals.

The short term rental industry is growing rapidly due to the growth of online rental platforms, such as AirBnB and HomeAway, which facilitate the short term rental of property. Statewide, short term rental listings have been increasing. In addition, the City has seen increased interest by owners of multifamily housing complexes in converting these properties into short term rental units. Such practice is prohibited under the MMC, but has been challenged by owners and needs to be clarified and simplified to aid code enforcement efforts. To address these concerns, and at the direction of the City Council, staff has prepared a draft ordinance which is set forth in Section 4 of Resolution No. 17-83 (Attachment 1).

ZORACES

The Subcommittee recommended an ordinance with the following:

1. A prohibition of short term rentals and home-sharing in the Multifamily Residential zone for complexes with three or more units;
2. A requirement for signage indicating 24 hours per day, seven days per week contact information for a designated manager, visible to the public at all times;
3. A requirement for compliance terms to be met or revocation of rental privileges be imposed for six months, to be increased upon lack of further compliance, which could lead to criminal penalties if ultimately not met;
4. A requirement for homeowners to attest when they register that their homes have smoke detectors, with an inspection provision;
5. No imposition of black-out dates; and
6. No requirement that the property be the owner's primary residence.

The Subcommittee also requested additional information. Staff contacted representatives from a wide range of municipalities in popular tourist destinations currently grappling with short term rentals. The additional information is provided in Attachment 2.

Proposed Ordinance

Resolution No. 83 includes the text of the draft ordinance which is summarized here. The draft ordinance is intended to clarify existing code provisions and to regulate the effects of short term rentals to avoid neighborhood impacts. No new uses are allowed under the ordinance.

Short Term Rentals Generally

- (1) "Short term rental" is defined as specific to a residential dwelling unit, or portion thereof.
- (2) The owner of a short term rental property must be registered with the City and pay TOT. This provision provides a point of contact for the City with the property owner,

allowing the City to contact the owner regarding short term rental issues and monitor short term rental activity in the City. It also ensures that renters contribute to the improvement of the City through payment of TOT.

- (3) The owner shall provide a Short Term Rental Code of Conduct, intended to provide important information, including rules and expectations for conduct, to all guests and post it inside the entrance to the dwelling.
- (4) The property must have onsite parking for all guests, unless the property does not have onsite parking, in which case guests are limited to parking two vehicles on the street. Some homes in Malibu do not have any onsite parking, so a requirement to park onsite would effectively ban those properties from short term rentals. If street parking for more than two vehicles is required, a special event permit (SEP) must be obtained. This requirement is designed to limit onstreet parking as the SEP would count against the maximum of four events allowed each year for the parcel.
- (5) The property shall not have any outstanding code violations, and any violations on the property shall have been cured for a period of six months prior to any short term rental. This will avoid situations where guests are staying at a property where violations exist. An option would be to consider shortening the no-rental period after a violation has been cured to avoid abuse of the code enforcement system or harassment of a property owner.
- (6) The property must comply with fire, building and other codes. This requirement will help prevent unsafe properties from being rented.
- (7) A 24/7 manager must be available to deal with any problems at the short term rental property. This requirement allows problems to be addressed in real time. This contact information must also be provided to all properties within 500 feet of the parcel boundary to inform neighbors and provide them a point of contact to informally raise or resolve any concerns. This requirement was included in lieu of signage due to potential security risks associated with identifying a property as a rental.
- (8) Property owners would be required to grant City representatives access to the property and records if needed for inspection or audit.
- (9) The maximum occupancy of short term rental units is designed to track with the number of bedrooms in the dwelling unit, up to a maximum of 14 people. This is consistent with the requirement of MMC Section 5.34.020(C) to obtain a special event permit when a short term rental will accommodate 15 people or more.
- (10) Short term rental of any vehicle, trailer, tent, storage shed, garage, or other such premises is explicitly prohibited. This provision specifically addresses concerns about individuals offering Airstreams, tents and similar places as vacation rentals.

Multifamily Short Term Rentals

Multifamily residential is defined as buildings containing three or more dwelling units. Short term rentals are currently prohibited in multifamily housing buildings, but the proposed ordinance will clarify this ban, aiding enforcement action. The City has limited multifamily rental housing stock, and this stock is generally more affordable than single-family units and helps diversify the range of housing options available locally. Effective conversion of apartment buildings to motels and hotels by renting out the units on a short term basis would reduce this limited inventory and could displace permanent residents. This practice is currently banned in the City, but the City has seen interest from individuals in converting such buildings.

While the proposed ordinance clarifies the ban on short term renting of multifamily housing by clearly stating it is prohibited in complexes with three or more units, home-sharing in such units is allowed. Home-sharing is the practice of allowing a guest to stay in a dwelling where a host is also living. The proposed ordinance requires the owner to live in the dwelling unit throughout the visitor's stay, and to appear within ninety minutes at the property when contacted by the City. Home-sharing will be subject to the same regulations (and time periods for rental) as single family homes.

Ensuring home-sharing units are not being rented as regular short term rentals can be difficult as it is hard to discern and prove if the owner is living in a dwelling unit at the time it is rented. Requiring hosts presence for at least eight hours a day is designed to aid enforcement, but it may still be difficult and costly to ensure compliance.

Enforcement

The proposed ordinance includes fines of \$1,000 per day or violation. Due to the expensive rates some properties rent for in the City, a significant financial penalty is required to aid compliance. More importantly, the proposed ordinance bars those who violate the ordinance from renting on a short term basis for a period of six months. This may lead to individuals illegally renting property during the six-month ban period, but if they are caught, an additional six-month ban will be added.

This proposed system will incentivize owners to comply with the ordinance, register with the City, and self-police their operations to avoid violations and complaints. One option to consider is delaying the start date of such bans imposed for violations of the ordinance for a period of one or more months after a violation occurs as these properties are booked months in advance and it may be difficult to cancel reservations. This change would also avoid punishing future guests who have made expensive plans to visit. Another option would be to impose a warning system where the ban on short term rentals would be imposed if two or more violations occur in a calendar year. If a warning system is adopted, it should not apply to failures to remit TOT.

Other Considerations

Enforceability of Ordinance

One of the most important problems to consider with short term rental regulation is whether the ordinance will be enforceable. Enforcement of short term rental regulations is difficult and expensive as there is no easy or low-cost way for the City to determine whether a property is rented on a short term basis. Even if a short term rental use is suspected, it is difficult to prove that individuals occupying a property paid to stay there, and are not relatives or friends of the owner. Individuals have no obligation to answer the door, provide access to the property, or speak with code enforcement officers. Even if a short term renter admits the nature of the arrangement, the renter often lives far from the property making it difficult and expensive, if not impossible to obtain sworn testimony in court.

If the ordinance is not enforceable or if it is overly burdensome, it will discourage owners from registering with the City and complying with the ordinance. It is anticipated that the more difficult the ordinance is to comply with, the more property owners will take steps to disguise the rental of their property and avoid contact with the City. Currently, most properties that allow short term rentals register with the City, which aids the City's ability to monitor and communicate with owners. Maintaining or increasing this compliance should be considered when evaluating this ordinance.

If compliance decreases, the City will have to enlist expensive "sting"-type operations, and additional code enforcement resources will be required to effectively enforce the ordinance. These additional resources would have a fiscal impact.

Central Complaints Related to Short Term Rentals

In general, the central complaints related to short term rentals relate to nuisance issues, decrease in long-term rental stock, and damage to neighborhood character. Since the implementation of 24/7 monitoring by SWS, the City has received relatively few nuisance complaints related to short term rental properties. MMC Chapter 8.24 defines the City's noise ordinance and prevents unreasonable noise. MMC Chapter 17.48 assures the provision of adequate off-street parking facilities for residential properties. MMC Chapter 5.34 limits the number of special events that may be held at a residential property, such as weddings or parties, and allows the City to condition such events to minimize impacts on neighboring properties. These provisions have allowed code enforcement staff to effectively address the code violations that have been identified.

In Malibu, the most significant threat to long-term rental stock is the conversion of multifamily housing to short term rental use. As a result, this ordinance seeks to clarify the ban on short term rental use of such properties to aid enforcement action. Other provisions, such as the parking, code compliance, and property manager requirements,

also seek to ensure that owners of properties rented on a short term basis are good neighbors and do not negatively impact the neighborhood.

Other Impacts of Ordinance

Significant changes to the City's treatment of short term rentals, such as a complete ban, may draw the attention of the California Coastal Commission. The CCC "strongly encourages" vacation rental regulation to be pursued through a LCP amendment. Of central concern to the CCC is increasing public coastal access, especially low-cost visitor serving uses and accommodations. The City may implement more restrictive regulations that do not conflict with the Coastal Act and do not change the land uses themselves.

It should also be noted that the lodging options for visitors to Malibu are limited. Lodging options for visitors to Malibu are limited to six hotels and motels, plus the Malibu Beach RV Park. Demand for lodging in the City is likely to continue to outstrip the ability of hotels/motels to supply that lodging. As a result, demand for short term rental options in the City is likely to continue to grow, especially because many families prefer to rent a home rather than rooms in a hotel. Providing a structure that accounts for this demand, while limiting any negative impacts of short term renting, will be successful if the structure is easy for owners to understand and comply with. If the structure is difficult to understand or comply with, short term rental owners may abandon the system and take their rental activity underground, aggravating negative effects on the City.

CORRESPONDENCE: Public correspondence is included as Attachment 3.

PUBLIC NOTICE: On October 26, 2017, a one-quarter page Notice of Planning Commission Public Hearing was published in a newspaper of general circulation within the City of Malibu and display ads were published in local newspapers, and was mailed to all interested parties, and all owners/operators currently registered with the City's Transient Occupancy Tax Program (Attachment 4).

SUMMARY: Staff recommends that the Planning Commission adopt Resolution No. 17-83 to recommend that the City Council adopt ZTA No. 17-002.

ATTACHMENTS:

1. Resolution 17-83
2. ZORACES information
3. Correspondence
4. Public Hearing Notice

Copies of all related documents are available at City Hall during regular business hours.

CITY OF MALIBU PLANNING COMMISSION
RESOLUTION NO. 17-83

A RESOLUTION OF THE PLANNING COMMISSION OF THE CITY OF MALIBU, DETERMINING THE PROPOSED ORDINANCE IS CATEGORICALLY EXEMPT FROM THE CALIFORNIA ENVIRONMENTAL QUALITY ACT, AND RECOMMENDING THAT THE CITY COUNCIL ADOPT ZONING TEXT AMENDMENT NO. 17-002 AMENDING TITLE 17 (ZONING) OF THE MALIBU MUNICIPAL CODE RELATING TO THE SHORT TERM RENTAL OF RESIDENTIAL PROPERTY

The Planning Commission of the City of Malibu does hereby find, order and resolve as follows:

SECTION 1. Recitals.

A. While the City of Malibu allows residential property to be rented on a short term basis for periods of 30 days or less, it has prohibited this practice in multifamily residential buildings where such use constitutes illegal hotel, motel or bed and breakfast inn use.

B. With the recent proliferation of short term rental use due to the growth of internet portals that consolidate and facilitate the short term rental of property, the City has seen increased violations of its prohibition against illegal hotel and motel use and an increase in short term rental activity in the City. Owners of apartment complexes and other multifamily buildings have sought to convert their units to short term rental use and created illegal hotel and motel uses in the City.

C. The removal of these multifamily units from the City's housing stock affects some of the most affordable housing options in the City and conflicts with the City's zoning and General Plan.

D. Code enforcement efforts to enforce the Malibu Municipal Code (MMC) have been resisted and challenged by operators. Clarification of the City's prohibition against these types of activities is needed. Additional regulation of short term rental activity to limit the impact of short term rentals on neighbors and the community, given their increased proliferation, could also benefit the City.

E. On October 10, 2016, the City Council directed staff to research short term rental of property and bring back an ordinance.

F. On May 23, 2017, the Zoning Ordinance Revisions and Code Enforcement Subcommittee of the City Council reviewed a draft ordinance and provided comments to staff.

G. On October 26, 2017, a one-quarter page Notice of Planning Commission Public Hearing was published in a newspaper of general circulation within the City of Malibu. Display ads were also published in local newspapers. A public hearing notice was also mailed to all interested parties, regional, state and federal agencies affected by the amendment, local libraries and media, the California Coastal Commission, and all parties registered with the City for payment of transient occupancy tax.

H. On November 20, 2017, the Planning Commission held a duly noticed public hearing on Zoning Text Amendment (ZTA) No. 17-002, at which time the Planning Commission reviewed and considered the agenda report, reviewed and considered written reports, public testimony, and other information on the record.

SECTION 2. Environmental Review.

The Planning Commission has analyzed the proposed project in accordance with the authority and criteria contained in the California Environmental Quality Act (CEQA), the State CEQA Guidelines, and the environmental regulations of the City. The Planning Commission hereby finds that under Section 15061(b)(3) of the State CEQA Guidelines, this Ordinance is exempt from the requirements of CEQA because it can be seen with certainty that the provisions contained herein would not have the potential for causing a significant effect on the environment.

SECTION 3. Zoning Text Amendment Findings.

The Planning Commission hereby finds that ZTA No. 17-002 is consistent with the General Plan and Local Coastal Program (LCP). The ordinance would support the objectives and policies of the General Plan intended to concentrate commercial uses in certain areas and prevent sprawl throughout the City [General Plan LU Objective 4.2], regulate hotel development to ensure development compatible with a rural residential community [General Plan LU Policy 4.4.3], and conserve affordable housing in the Coastal Zone [General Plan Housing Policy 1.4].

ZTA No. 17-002 will support these policies by clarifying the City's prohibition against illegal hotel, motel and bed and breakfast inn use and introducing regulations to reduce the impact of short term rentals on neighbors and the community.

The proposed ordinance does not authorize a use other than that already designated in the LCP and MMC as a permitted or conditionally permitted use in the zone. The proposed ordinance is consistent with the Coastal Act and the LCP because it protects, maintains and enhances the overall quality of the coastal zone environment. The proposed ordinance will not alter the utilization or conservation of coastal zone resources, impede public access to and along the coastal zone, or interfere with the priorities established for coastal-dependent or coastal-related development.

SECTION 4. Zoning Text Amendments.

The Planning Commission hereby recommends that Title 17 of the Malibu Municipal Code be amended as follows:

A. MMC Section 17.02.060 (Definitions) is hereby amended by adding the following definition, inserted in alphabetical order:

“Short term rental” of property shall mean the renting of residential property, a dwelling unit, or a portion thereof, for a period of thirty (30) consecutive days or less to a transient.

B. Chapter 17.55 (Short Term Rental of Property) of the MMC is hereby added to read as follows:

Section 17.55.010 Short Term Rentals Generally.

- A. Single-family dwellings or portions thereof, may be rented for a period of thirty (30) consecutive days or less subject to the following requirements:
1. The owner and operator of the rented property is registered with the City, timely pays all transient occupancy tax due, and is in compliance with Chapter 3.24 of the Malibu Municipal Code.
 2. The property provides onsite parking for all guests; offsite or on- street parking shall only be allowed pursuant to a special event permit. Properties that do not have onsite parking spaces are exempt from this requirement, but guests of such properties shall not park more than two vehicles on the street.
 3. The property shall not have any outstanding code enforcement violations, and any violations on the property shall have been cured for a period of six months prior to the date of any short term rental of the property.
 4. The property complies with all applicable codes regarding fire, building and safety, and other relevant laws and ordinances.
 5. A manager with access to the dwelling unit, and authority to fix any problems or violations of this chapter, shall be available twenty-four (24) hours a day, seven days a week, at a phone number provided to both the City and any guest staying at the property. This number must accept voicemail messages. A phone call to this number from the City or a guest must be returned within one hour.
 6. Owner shall provide full access to the property, and documents related to compliance with this Chapter, during normal City Hall business hours or at any time the dwelling unit is rented immediately upon request by the City Manager or his/her designee for purposes of inspection or audit.
 7. Owner shall provide all guests with the Short Term Rental Code of Conduct, which shall be developed by the City Manager, and post the same on the inside of the main entrance door to the dwelling unit rented, or on the wall adjacent thereto.
 8. Owner shall provide the contact information for the manager identified in (5) above to all dwelling units within five hundred (500) feet of the parcel boundary.
 9. The maximum occupancy of a short term rental property shall be limited to two (2) people more than twice the number of bedrooms listed on City or County records up to a maximum of 14 people, unless a special event permit is obtained.
- B. Nothing in this chapter shall limit the ability of a property owner, Covenants, Conditions and Restrictions (CC&Rs), or homeowners association or similar association from prohibiting or further limiting the short term rental of property. Short term rental of property is prohibited in any common interest development or apartment complex where it is not allowed. Short term rental of property shall not be allowed where the property owner or landlord has not given express permission to allow it.
- C. No person shall offer, facilitate an offer, or allow short term rental of property in any location not approved for use as a dwelling unit including, but not limited to, any vehicle, trailer, tent, storage shed or garage.

17.55.020 Short Term Rentals in Multifamily Housing.

- A. Short term rental of property is prohibited in multifamily residential buildings containing three or more dwelling units (including, but not limited to, triplexes, condominiums, stock cooperatives, apartments, and similar developments):
 - 1. No person or entity shall offer, advertise, facilitate or make available for rent, or rent (by way of a rental agreement, lease, license or any other means, whether oral or written) for compensation or consideration a residential dwelling, a dwelling unit or a portion thereof for a period of thirty (30) consecutive days or less in such buildings.
 - 2. No person shall occupy a residential dwelling, a dwelling unit or a portion thereof for a period of (30) consecutive days or less pursuant to a rental agreement, lease, license or any other means, whether oral or written) for compensation or consideration in such buildings.
- B. Notwithstanding, Section 17.55.020(A), a dwelling unit owner may rent the owned dwelling unit in a multifamily residential building for a period of thirty (30) consecutive days or less when the owner (1) lives in the dwelling unit throughout the visitor's stay, and is present in the unit for at least eight (8) hours a day, and (2) complies with the requirements of 17.55.010. If contacted by City staff, the owner must appear within ninety minutes in person at the property.
- C. Nothing in this section shall prohibit the operation of a hotel, motel or bed and breakfast inn where such use is permitted.

17.55.030 Enforcement, Violations and Penalties.

- A. In addition to the other penalties and remedies available to the City, violations of this Chapter shall be subject to the administrative citation provisions of Chapter 1.10, except that any violation of this Chapter shall be subject to a fine of \$1000 per day or violation.
- B. For any property that violates any provision of this chapter, no person or entity shall offer, advertise or make available for rent, or rent (by way of a rental agreement, lease, license or any other means, whether oral or written) for compensation or consideration a residential dwelling, a dwelling unit or a room in a dwelling unit at that property for a period of thirty (30) consecutive days or less, and (2) no person shall occupy a residential dwelling, a dwelling unit or a room in a dwelling for a period of (30) consecutive days or less pursuant to a rental agreement, lease, license or any other means, whether oral or written) for compensation or consideration. This prohibition shall extend for a period of six months from the date the City sends a notice of violation to the property owner listed on the most recent tax rolls and/or the address of the property. An additional six-month restriction period will be imposed and consecutively added for each subsequent violation.
- C. Any violation of this Chapter shall constitute a separate offense for each and every day the violation occurs or persists.

D. These penalties and remedies are cumulative and in addition to any other penalties and remedies available to the City.

SECTION 5. The Planning Commission shall certify the adoption of this resolution.

PASSED, APPROVED AND ADOPTED this 20th day of November 2017.

MIKKE PIERSON, Planning Commission Chair

ATTEST:

KATHLEEN STECKO, Recording Secretary

I CERTIFY THAT THE FOREGOING RESOLUTION NO. 17-83 was passed and adopted by the Planning Commission of the City of Malibu at the Special meeting held on the 20th day of November 2017 by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

KATHLEEN STECKO, Recording Secretary

Information Requested by ZORACES

May 23, 2017

The following information (in italics) was requested by ZORACES and collected by staff by contacting a wide range of municipalities in popular tourist destinations currently grappling with short term rentals.

1. *Covenants, conditions and restrictions of homeowners associations that could provide examples for communities that would like to create privately enforceable restrictions*

Covenants, conditions and restrictions (CC&Rs) are part of the governing documents of most homeowner associations (HOAs). Since HOAs are private associations, CC&Rs are not readily available for public review. Staff reached out to several HOAs but was unable to gather any examples for circulation. Due in part to the private nature of the agreements and the variety of issues they may encompass, most cities surveyed do not currently review CC&Rs as part of the short term rental registration process. However, some cities, such as the City of Palm Springs, City of Palm Desert, and the City of Indian Wells, require that an applicant submit letters from the association governing board stating that either the CC&Rs do not regulate short term rentals or do not prohibit short term rentals on the proposed rental property. Other cities, such as the City of Petaluma, City of San Francisco, and City of Big Bear Lake, require that applicants self-certify that their units are not subject to CC&Rs that regulate or preclude rentals. Other cities simply register short term rentals in accordance with the City's regulations and leave it up to the HOA to regulate private agreements amongst its members.

2. *Whether the owner should be allowed to be the designated manager*

Generally, cities allow owners or their agents to be the designated manager, operator or contact for short term rental properties. In fact, staff was unable to find any cities that specifically preclude owners from being the designated manager for their short term rental properties. Many cities require that the designated manager be available 24 hours a day seven days a week and respond to complaints or code enforcement issues in a timely manner which can be defined anywhere between 30 minutes to 24 hours of a reported issue. Designated managers that fail to respond within the required timeframe may be subject to fines. In addition, some cities require that the designated manager be within a certain mile radius. For example, the City of South Lake Tahoe requires that the designated manager be within a 30-mile radius. These response time and location requirements serve to encourage owners to employ management companies to act on their behalf while still allowing owners to manage their own property if they so choose.

In order to accommodate owners and their agents and facilitate the short term rental registration and tax remittance process, some cities in Coachella Valley have separate short term rental applications for owners and agents while other cities, such as the City of San Francisco, the City of Petaluma and the City of Big Bear Lake, require that owners obtain a business license in order to manage their short term rental property.

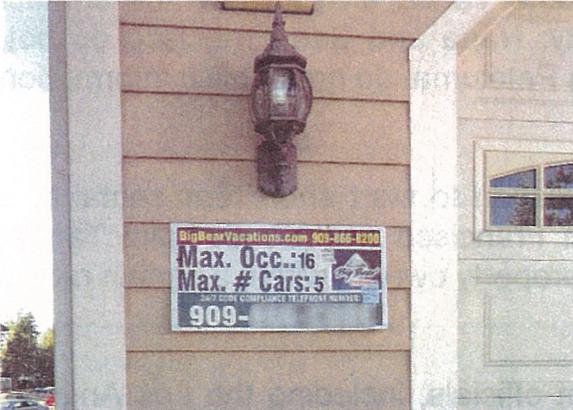
3. *Examples of types of contact information signage used in other communities*

Most municipalities surveyed require interior signage with information regarding the property’s short term rental certificate, designated manager’s contact information, city code enforcement’s contact information, and other city-specific requirements such as the rental unit’s occupancy limits and parking restrictions. A few cities require that signs be posted on the property’s exterior walls or fences so that certain information be visible and made available to the public. Staff was able to identify four municipalities that require the posting of exterior signs: Town of Mammoth Lakes, City of South Lake Tahoe, City of Big Bear Lake and the Hawaiian County of Kauai. Information on the particular signage requirements of each municipality is provided in Table 1.

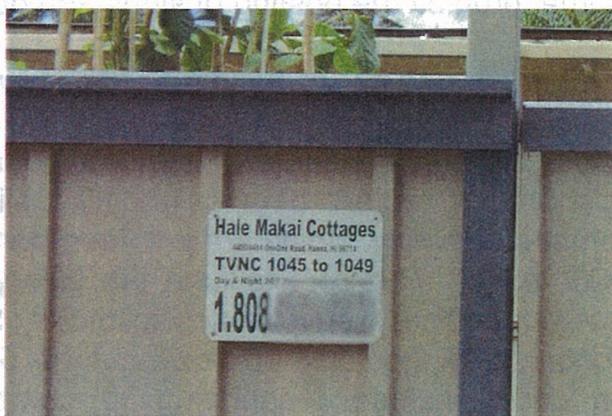
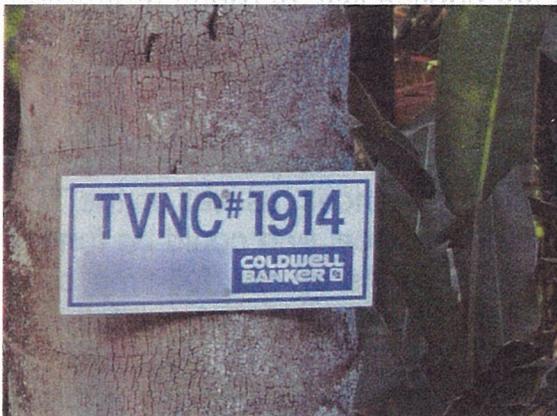
Municipality	Sign Size	Required Information
Mammoth Lakes	< 2 sq. ft.	24 hr. contact name and phone number, max. occupancy, max. parking spaces, policy dept. phone number and the finance department’s TOT compliance hotline
South Lake Tahoe	< 1 sq. ft.	Contact phone number, police department’s home rental hotline and email, max. occupancy, max parking spaces, City Code Section
Big Bear Lake	< 2 sq. ft.	24 hr. contact name and phone number, max. occupancy, max. parking spaces and City’s code enforcement number
Kauai	< 1 sq. ft.	Rental registration number, 24 hr. contact phone number

Examples of exterior signs used in these areas are provided below.

City of Big Bear Lake



County of Kauai



City of South Lake Tahoe



Similarly, in an effort to notify the community of a property's certified rental status, cities including Napa, San Francisco, Big Bear Lake and South Lake Tahoe, post maps or lists on their website that identify all registered short term rentals. Some cities such as Big Bear Lake and South Lake Tahoe also include the contact information for each certified rental property; Napa and San Francisco do not, citing privacy concerns. Other cities, such as Petaluma, do not publish information on rental properties.

To notify the community of a pending application to start short term rental of a property, some cities, including Napa, San Francisco and South Lake Tahoe, require that a notification letter be sent to all property owners within a certain radius of a proposed rental property.

Staff also found that some law enforcement officials, including the Los Angeles County Sheriff, warn that publicly posting a property's status as a rental unit may increase the likelihood of certain property crimes, such as burglary or trespassing. For this reason and concerns over the unsightliness of signs, some cities, such as Petaluma, prohibit the posting of signs and do not publish lists of rental properties.

4. Funding one or two full-time positions related to enforcement

City Council would consider whether additional staff may be needed to enforce the City's short term rental ordinance and all applicable ordinances, as well as the TOT tax remittance policy. Costs are provided here for reference, and could be funded by TOT taxes. The cost to fund the salary and benefits of one full-time code enforcement officer would be approximately \$92,000 and the cost of one full-time accounting clerk would be approximately \$75,000. The code enforcement officer's duties could include responding to complaints and coordinating complaint resolution with designated managers. The accounting clerk's duties could include monitoring advertisements for short term rentals and researching TOT remittance. The total cost for the two positions would be approximately \$167,000. Alternatively, private firms are now offering monitoring and other services related to short term rentals. Council could consider a professional services agreement rather than permanent staffing if the need is identified.

5. The need for an inspection program for wastewater treatment systems

While renters may be unaware that a property is serviced by an onsite wastewater treatment system (OWTS), their use should be comparable to that of the occupants of a dwelling. While problems could develop if the number of people in a rental party exceeds the design capacity of the system, that should not occur unless the host is violating the occupancy limits of the proposed ordinance. While inspection could help identify systems that have been abused and are more likely to fail, the City is unaware of any evidence that short term rentals have resulted in the failure

of any OWTS system. An inspection program would impose costs on the City and may dissuade hosts from registering with the City. They would also be motivated to ensure their OWTS system does not fail and is well maintained because they would lose their ability to rent otherwise.

In addition, MMC Chapter 15.14 establishes the OWTS Operating Permit establishes the OWTS Operating Permit Program in order to reduce the likelihood of system abuse and failure, and prevent the discharge of untreated effluent on to the ground, surface drainage facility or water body. Currently, the City of Malibu requires that property owners enter into the OWTS Operating Permit Program if their home is newly constructed, remodeled or has a change of ownership. As such, many of the existing short term rental properties in the City are likely to already have an operating permit and participate in the program. The program requires routine inspections by a registered inspector and regular monitoring by a maintenance provider. If the inspector determines that a system has failed or is failing, the owner is required to replace the system.

6. *Host guidelines that could be provided to Transient Occupancy Tax (TOT) registrants similar to the Filming Code of Conduct for film permits*

A draft Short Term Rental Code of Conduct is provided as a separate attachment.

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23825 Stuart Ranch Road
Malibu, CA 90265

***Re: Response to Your Letter Regarding the Short-Term Rental Use of 20306-201312
Pacific Coast Highway (APN: 4450-004-034)(the "Property")***

Dear Ms. Blue:

I am writing on behalf of Siegel's Malibu Oceanfront, LLC, the owner ("Owner") of the above-referenced Property, in furtherance of the recent conversation you had with Robert Beyer, and in response to your letter dated November 1, 2016 (the "November 1 Letter") wherein you state that allowing short term rentals at the Property violates Malibu Municipal Code (MMC) 17.14.020, 17.14.030 and 17.14.040 as "[m]otels (and hotels) are not allowed in the Multifamily Beachfront ("MFBF") zone." For the reasons stated herein, we respectfully disagree with your contention that the Property is somehow precluded from providing short term rentals.

1. MMC does not Preclude Short Term Rentals at the Property

MMC has no applicable provision that precludes short term rentals at the Property. Indeed, the City of Malibu, as seen in city council hearings, has been quite candid about the shortfalls and ambiguities that exist within the MMC – particularly as to how MMC fails to address the proliferation of rentals through websites such as Airbnb, VRBO, and the like at properties that do not meet the definition of "motel." Such is the case with the Property.

2. The Property is not a Motel as Defined by the MMC, but is Permitted as an Existing Multifamily Building.

You have cited MMC 17.14.020, 17.14.030 and 17.14.040 for the proposition that motels are not permitted in the MFBF zone. Those sections are representative of the ambiguities in the MMC. The sections merely list the types of permitted uses and do not specifically prohibit any type of use. As such, you are necessarily arguing that motels are not allowed because they are omitted. The fallacy of this argument is confirmed when applied to existing multifamily properties which are omitted as

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CITY OF MALIBU

Re: Response to Your Letter Regarding the Short-Term Rental Use of 20306-201312 Pacific Coast Highway (APN: 4450-004-034)(the "Property")

December 1, 2016

well (only additions to existing multifamily buildings are expressly referenced as permitted). Despite the omission, there can be no question that existing multifamily properties are allowed within the MFBF zone.

Moreover, the code simply does not support your contention that the Property qualifies as a "motel" as defined in MMC 17.02.060, which provides, in pertinent part, the following:

"Motel" means facility offering transient lodging accommodations to the public in a group of attached or detached buildings containing guest rooms..."

The subject Property is a multifamily property with four individual apartment units. It is not a "facility." It does not consist of a "group of attached or detached buildings." Further, it does not "contain[] guest rooms." The apartments at the Property are individual dwelling units. It requires a tortured reading and flawed analysis to assert that the Property fits within the MMC's definition of a "Motel".

In reviewing MMC 17.02.060, it is evident that the most applicable definition to the subject Property's units is the definition of "Apartment Unit". An "Apartment Unit" means one or more rooms with private bath and kitchen facilities comprising an independent rental unit." This definition precisely describes each of the units at the Property. Apartment Units are permitted in the MFBF, and there is no prohibition against the short-term rental of Apartment Units in the MMC. An Apartment Unit does not become a Motel upon providing short-term rentals as your letter suggests. Similarly, single-family residences are permitted in the MFBF zone, and it is well known that such homes are rented on a short-term basis in the MFBF zone. The logic in your November 1 Letter would make the single-family residences Motels too.

3. The City's Desire to Ban Short-Term Usage.

You mentioned in your conversation with Robert Beyer on November 23, 2016 that the City of Malibu is seeking to prevent the short-term rental of all residential properties and not just those in the MFBF zone by enactment of new city ordinances. As such, it would appear that your November 1 Letter seeks to pre-empt the need for new city ordinances by contorting existing code in ways it was never intended and cannot reasonably be construed. Notably, short-term rentals have been prevalent in the City of Malibu for some time, and as you acknowledged in our November 23, 2016 phone conversation, the city has only recently started to challenge the provision of short-term rentals with letters to property owners. The city's prior and continued allowance of short-term rentals confirms that the city understands the failure of the MMC to preclude such activity.

Notably, the November 1 Letter represents an abrupt about-face by the City of Malibu, which just last year openly praised Airbnb after it partnered with the City of Malibu in agreeing to collect transient occupancy tax from Airbnb lodging hosts. Mayor Sibert touted the legality of Airbnb's business operations within the City of Malibu saying, "Malibu welcomes Airbnb's constructive efforts

December 1, 2016

to make their sharing economy business model work within the City's laws including the local transient occupancy tax." He further lauded Airbnb's collection of the transient occupancy tax on behalf of its host and the benefits that the transient tax revenue provides to the city: "By collecting taxes on behalf of their hosts, Airbnb contributes toward Malibu receiving the revenue used for City services like fire, police, roads, and clean water projects. In the end, this benefits Malibu residents and visitors alike." The recent crackdown on owners who offer their properties for short-term rentals is inconsistent with Mayor Sibert's remarks and deprives the city of much needed revenue.

Inconsistent with the city's recent efforts to stop the continued provision of short-term rentals, the city readily issues Transient Occupancy Registration Certificates (the "Transient Tax Certificate"), allowing it to collect taxes on any revenue derived from such use by property owners. Indeed, the Owner rightfully applied for, paid for and was issued, four Transient Tax Certificates (TOT-10160-67803 through -67806) in relation to its provision of short-term rentals at the Property. The City of Malibu cannot continue charging for Transient Tax Certificates, collecting associated taxes and benefitting from both, and at the same time have its Planning Department contend that such use is unlawful. No disclaimer within the Transient Tax Certificates can rectify this paradox. Moreover, the disclaimer language provided within the Transient Tax Certificates speaks only to unlawful businesses or activities, and the operations of "hotels" – none of which apply to the Owner's provision of short-term rentals at the Property.

3. Grandfathered Status.

It is important to note that the Owner has not yet rented the units on a short-term basis in a good faith effort to reconcile this matter with the City of Malibu and to remain consistent with its intention to be a responsible and aboveboard property owner within the City of Malibu. That said, we disagree with the city's determination that such use is not permitted. While the city is certainly free to enact ordinances that are applicable to future property owners, the Owner's use of the Property for short-term rentals should be grandfathered – particularly insofar as Owner acquired the Property based on the uses permitted at the time of acquisition, the city's historical allowance of such use (even at this particular Property), and the Owner's confirmed commitment to deal with the City of Malibu openly and honestly.

Moreover, the purchase price paid for this Property was substantial, and the deprivation of the Owner's rights to rent the Property on a short-term basis would be tantamount to a taking, substantially reducing its value and force the Owner to seek all available rights and remedies. The City of Malibu should be targeting the significant number of owners in the city that are conducting short-term rentals and not obtaining Transient Tax Certificates and certainly not remitting the transient tax to the city. To target the owners that attempt to do the right thing, create revenue for the city and comply with the law is misguided.

Page 4

CITY OF MALIBU

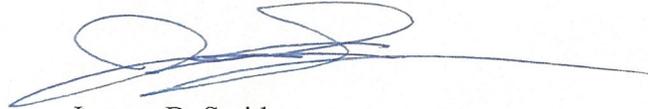
Re: Response to Your Letter Regarding the Short-Term Rental Use of 20306-201312 Pacific Coast Highway (APN: 4450-004-034)(the "Property")

December 1, 2016

We look forward to quickly resolving the issues discussed herein. For each day that the Owner is unable to conduct short-term rentals it is suffering substantial harm

Should you have any questions, please feel free to contact me.

Very truly yours,



Jeremy D. Smith
KRANE & SMITH, APC

JDS:dlbz

cc: Robert Beyer - via email

David Stoft - via email

Kathleen Stecko

Subject: Questions about the City's Short-term rental ordinance

From: Noah Stewart [<mailto:nostewart@homeaway.com>]
Sent: Friday, June 23, 2017 8:42 AM
To: Patricia Salazar
Subject: Questions about the City's Short-term rental ordinance

RECEIVED
JUN 23 2017
PLANNING DEPT.

Hello Patricia,

I have a few questions about the short-term rental ordinance the city is developing.

Where can I find the most recent draft of the ordinance?

Will it be discussed at the Council meeting on Monday? If not when is the next time it is scheduled for public discussion.

We want to make sure our owners and managers are informed.

Thanks and have a great day!

Noah

Noah M. Stewart
Government Affairs Coordinator
HomeAway
1011 West Fifth St. // Austin, Texas 78703
Direct: (737) 346-0513
nostewart@homeaway.com



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Mary Linden

Subject: FW: City Policy on Home Rentals Letter PLEASE READ ASAP!

From: Stephanie Cordoni [REDACTED]
Sent: Tuesday, May 23, 2017 8:51 AM
To: Patricia Salazar; Kathleen Stecko
Subject: City Policy on Home Rentals Letter PLEASE READ ASAP!

Hi Kathleen and Patricia,
My boss, Dana Friedman, is a Malibu resident for many years. She would love to attend the ZORACES meeting today but she won't be able to do so.
Please find a letter from her below voicer her opinion and concerns. If you could please read it before or during the meeting that would be very much appreciated.
Thank you!
Please confirm receipt.

Best,

Stephanie Cordoni
Personal Assistant to Dana Friedman
[REDACTED]
[REDACTED]

FILED
City of Malibu
Zoning Ordinance Revisions &
Code Enforcement Subcommittee

Meeting Date 5-23-2017
Agenda Item # 2
Date Received 5-23-2017

From: Dana Friedman [REDACTED]
Sent: Tuesday, May 23, 2017 2:08 AM
To: Stephanie Cordoni
Subject: Re: City Policy on Home Rentals Letter for Meeting Tomorrow / Time Sensitive / Amended

I would like to voice my support for a reasonable policy as it relates to the rental of a private home owned by a resident of Malibu.

There are many reasons a homeowner may want to rent their property and it seems to me it is their right to use their property in a manner that suites there needs and interests provided that it does not unduly disturb others.

My suggestion is to focus on the best ways to serve the majority interests in our Community. Malibu is a small community with a loyal and dedicated population.

While there may be some that do not act with respect, the City should look to enact legislation to regulate that behavior. They should not enact laws that penalize the majority who treat their home and neighbors with respect for the few who don't.

cc: ZORACES; CM; PL; AS; ZORACES 5-23-17 agenda file

A few bad apples should not ruin it for all.

We have many needs and reasons to rent the property we own in Malibu and not being able to do so would cause undue hardship. The cost of a home is very expensive and we cannot afford to have a home sit empty.

Both my husband and I work in the film industry, as do many who live in Malibu. Sometimes we are away for weeks at a time. Sometimes for months at a time. Meanwhile we need to pay our mortgage. Renting our home during this time helps support the feasibility of our livelihood.

We would like to purchase another home. All of our family members live in The South or on The East Coast. We do not have guest space in our home (1900 square feet) and there are no affordable hotel accommodations in Malibu. We would like a place for our parents, grandparents and siblings to stay. However, we cannot afford for that house to stay empty when they are not here. We would like to rent that home. This home will be frequented by guests. Does the City really have the right to legislate who those guests will be or how they use our home if they are not disruptive to others?

I do, however, support a restriction on single night rentals. I believe they are not compatible with a neighborhood community.

I also support meaningful legislation that would address those who rent their homes in a way that causes a disturbance to others. However, given the high cost of a private home in Malibu and the corresponding high cost of rental rates, I believe the clientele will be of a mutually respectful nature and therefore the need to enforce these regulations will be minimal.

I know many Malibu residents who rent their homes now who have had no problems with their renters or their neighbors.

Finally, I do not support the idea that home rentals are only allowable during certain months of the year. That policy is selective and does not treat all homeowners who have a need to rent their home fairly.

Thank you,

Dana Friedman & Brent Almond

5/22/2017

Mail - [REDACTED]

FILED
City of Malibu
Zoning Ordinance Revisions &
Code Enforcement Subcommittee

Vacation rentals in Malibu

Dennis Seider [REDACTED]

Meeting Date 5-23-2017

at 5/22/2017 1:22 PM

Agenda Item # 2

Alan Armstrong [REDACTED]; "Zuma Jay" Jefferson Wagner <[REDACTED]>

5-23-2017

LEAH ELLENBERG SEIDER [REDACTED]; BARRY HALDEMAN [REDACTED]; Merie & Jerry Measer

Dear friends:

I cannot come to the hearing on this matter but would appreciate my remarks being read into the record.

Let me start by saying how important family is to me, having raised my family of three wonderful children here with an excellent environment and great school district and awesome Recreational possibilities. The fact that I have been so lucky to be able to live here and to have had that experience gives me some insight into the joy far too many people will never have.

However I have had the good fortune of being able to rent my house to families for Pepperdine graduations, for family residences on wedding occasions and for family reunion's gathering people from all over the globe to our special place on the shores in Malibu and I can tell you personally that the experience of sharing something so wonderful with people who enjoy it so much to promote family Love and unity is the pleasure afforded to very few. I personally believe it would be a grave mistake to foreclose that opportunity for so many people who cannot afford to live in Malibu but whose families so much appreciate the opportunity to get together in the environment that we so uniquely enjoy.

To understand the proposal correctly it would restrict rentals of any kind to the summer season and to certain holidays but this leaves out people cannot get together from all over the world except at times unique to them or have to come in order to attend a graduation at Pepperdine which now stretches over an extended period of time.

I am sympathetic to the plight of those who live next to party houses where noise and raucous behavior seem to go on without end but the kind of restrictions being proposed seem far too severe for the abuse that needs to be regulated. It further seems a great waste of resources to leave a house vacant, as many of us in MALIBU do for extended periods, when that house could be so happily used my families that perhaps cannot otherwise get together in normal hospitality Venues because of the expense and because of limited space. It is so much better to get together as a family in a family home than it is to try and get that same feeling in a hotel when your family and relatives are down the hall are on different floors.

I feel as if we are all privileged to live in a place that in many countries would have otherwise been a national Park and I know we already serve the needs of tourists disproportionate to our resident base. If we do severely limit vacation rentals we will again become a place where only the wealthiest families can afford to stay.

If you believe legislative action and/or regulation is absolutely necessary then please adopt the least intrusive manner of doing so without cutting back so much of what we enjoy and are really honored to share with others.

Please excuse any errors as this is being dictated in a very remote location where Wi-Fi service is sketchy at best and is being done on an iPhone.

Thank you for your kind consideration.

DENNIS SEIDER

Sent from my iPhone
DENNIS J SEIDER

cc: Council; CM; PL; AS; ZORACES 5-23-17 agenda file

<https://outlook.live.com/owa/?path=/mail/inbox/rp>

Kathleen Stecko

Subject: I support Short Term Rentals in Malibu

RECEIVED
MAY 31 2017
PLANNING DEPT.

On Wed, May 31, 2017 at 2:31 PM, Kathryn Morea [REDACTED] wrote:

Hello Patricia,

Thank you for taking my call today. I heard yesterday about the meeting last week and was unaware this was on the agenda, even though I had sent an email in October voicing my support for short term rentals Councilmember House & City Manager Feldman (below). As someone with a large mortgage to pay every month, it is very scary to think I might be forced to only rent a few months of the year. I will lose my home. I am a responsible host and neighbor with a noise monitoring system and cameras so parties do not happen at my home.

Additionally, I believe the Coastal Commission requires changes to vacation rental zoning occur in conjunction with LCP and require Coastal Commission approval - they do not want an outright ban. Allowing only a few months a year for vacationers to use the beach (summer and holidays) would go against their mandate. It also smacks of being elitist and exclusionary for all the people who can't afford to live in Malibu full time. I've attached the Coastal Commission letter supporting vacation rentals dated Dec 6, 2016. Please let me know who to contact and how I can kept in the loop about the proposed regulations. Thank you!

-Kathryn Morea
[REDACTED]

----- Forwarded message -----

From: **Kathryn Morea** [REDACTED]
Date: Mon, Oct 17, 2016 at 4:57 PM
Subject: I support Short Term Rentals in Malibu
To: jhouse@malibucity.org, rfeldman@malibucity.org

Dear Councilmember House & City Manager Feldman,

I've been watching from the sidelines as the issue of short term rentals has recently been in the news in Malibu. I am a homeowner that rents my home on listing sites such as Airbnb & VRBO, I wanted to add my thoughts.

I support short term rentals.

I want urge Malibu to continue to allow short term rentals to exist. Today I am writing my quarterly TOT tax check for over \$4000 to the City of Malibu and I decided to take a moment to share my ideas about short term rentals. We do have a business license and we collect and pay TOT tax on every stay. We have paid over 14K in TOT tax to the City of Malibu since we began renting our home last summer. That does not include the tax Airbnb has collected on our behalf and remitted to the city directly.

I want to point out just a few of the positives:

Pros for the tourist

Not every guest or family wants to stay in a hotel (and there are not many hotel rooms in Malibu) - many are traveling with a large family and wish to stay in a house where they can cook, share space, enjoy a yard and BBQ. In our 3 bedroom 2 bath house, we can fit several generations of family members who would not be at

all interested in staying in a hotel. Being in a house allows them to be together as a family and experience this beautiful beach town.

Pros for the City / Community

Tax Revenue - Take advantage of the tourist dollars coming into city not only through TOT but through the restaurants, stores and local businesses who are supported by the tourists dollars.

Added jobs - We use several housekeepers, handymen, tradespeople, a gardener and others to keep our property maintained. All these people would be out of work or have much less work if we didn't have our home for rent short term.

Safety: While most owners and property managers probably want their places to be safe as well as visually appealing, safety concerns could be managed by requiring properties to apply for and passing annual or biennial inspections as a pre qualification for obtaining a license.

Pros for the Neighborhood:

Short term rental properties are well cared for. Because we depend heavily on reviews, we keep our home in pristine condition. Maintenance issues are addressed immediately. Because the guests pay more than long term tenants, we are better able to reinvest funds in upkeep, gardening and repairs. I believe our short term rental property is better cared for, cleaned and checked between each guest, allowing us to keep it in far better condition than it could be kept if long term tenants were in place or if it was used only as my home.

Short term rentals are not bringing an undesirable element to the neighborhood (although there are a few exceptions) - many are families, usually they have just 1 car between them, so they are not clogging the public streets with as many cars as a long term tenant or owner would have. They are coming to spend money on local businesses and using the home the same way long term residents use a home, to sleep, to cook, to watch TV, see the ocean, watch the dolphins and to hang out with family.

Emergency Contact: we've given nearby neighbors our cell phone and email in case any of our guests gets too loud or they have any problem at all. We also make our guests sign rental agreements which specifies that no parties are allowed. I realize that not every owner or manager is as responsible. Rather than penalize or ban the entire industry, the City of Malibu could mandate some responsible management rule, such as offering a complaint phone number or a review process for repeat offenders.

Benefits to the local economy - Tourists are spending dollars in neighborhoods they might not traditionally visit if limited to strictly hotels, such as ma & pop restaurants, coffee houses, salons and local markets.

I urge the City of Malibu- do not ban them. Short term rentals include home-sharing but is not just home sharing. We get families coming to Malibu who want an entire house for their family while they visit.

Again, regulate this industry, don't try to tear it apart - instead tax them, regulate them, inspect them, require licensing, require basic safety features such as carbon monoxide detectors, smoke detectors, fire extinguishers, require them to list their license in all their ads, but do not force them underground.

Thank you for listening!

Kathryn Morea

Kathleen Stecko

From: Stephanie Hawner
Sent: Tuesday, October 31, 2017 5:12 PM
To: Larry Stokesberry
Cc: Kathleen Stecko
Subject: RE: Short term rentals

RECEIVED
OCT 31 2017
PLANNING DEPT.

Good afternoon Mr. Stokesberry,

I can provide your email as written comments to the Planning Commission so that your input comes before them without your being present.

Planning Commission will consider a draft ordinance on Nov. 20. The draft ordinance and agenda report will be distributed around Nov. 10. Here is the website – we will keep it updated as new information becomes available. [Malibu, CA - Official Website - Short-Term Rental Ordinance](#)

Best regards,
Stephanie

Stephanie Hawner | Senior Planner | City of Malibu |
(310) 456-2489 ext. 276

From: Larry Stokesberry [REDACTED]
Sent: Tuesday, October 31, 2017 2:26 PM
To: Stephanie Hawner <shawner@malibucity.org>
Subject: Short term rentals

Hi, Stephanie,

We have lived in Malibu for 35 years. We have had a short term rental now for a little over 3 years. We live on the property and have never had an issue. We are retired now and with out this additional income would have to sell our property and move on. We are in our 70's now and I don't look forward to doing that. When the owner does not live on the property when there is a short term rental it becomes much more difficult to manage. We have really enjoyed the process and met people from all over the world.

I have paid my quarterly TOT from the beginning even when I saw other not doing so. I know it has to be a great source on income for the city. Let me know if you think my showing up at the meeting on the 20th would help. I'm not in the greatest health right now but if it would help we'll be there.

Thanks for listening.

Larry & Nancy Stokesberry
[REDACTED]

CALIFORNIA COASTAL COMMISSION

45 FREMONT, SUITE 2000
SAN FRANCISCO, CA 94105-2219
VOICE (415) 904-5200
FAX (415) 904-5400
TDD (415) 597-5885



RECEIVED
DEC 09 2016
PLANNING DEPT.

(Sent Individually via US Mail)

December 6, 2016

TO: Coastal Planning/Community Development Directors

SUBJECT: Short-Term/Vacation Rentals in the California Coastal Zone

Dear Planning/Community Development Director:

Your community and others state and nationwide are grappling with the use of private residential areas for short-term overnight accommodations. This practice, commonly referred to as vacation rentals (or short-term rentals), has recently elicited significant controversy over the proper use of private residential stock within residential areas. Although vacation rentals have historically been part of our beach communities for many decades, the more recent introduction of online booking sites has resulted in a surge of vacation rental activity, and has led to an increased focus on how best to regulate these rentals.

The Commission has heard a variety of viewpoints on this topic. Some argue that private residences should remain solely for the exclusive use of those who reside there in order to foster neighborhood stability and residential character, as well as to ensure adequate housing stock in the community. Others argue that vacation rentals should be encouraged because they often provide more affordable options for families and other coastal visitors of a wide range of economic backgrounds to enjoy the California coastline. In addition, vacation rentals allow property owners an avenue to use their residence as a source of supplemental income. There are no easy answers to the vexing issues and questions of how best to regulate short-term/vacation rentals. The purpose of this letter is to provide guidance and direction on the appropriate regulatory approach to vacation rentals in your coastal zone areas moving forward.

First, please note that vacation rental regulation in the coastal zone must occur within the context of your local coastal program (LCP) and/or be authorized pursuant to a coastal development permit (CDP). The regulation of short-term/vacation rentals represents a change in the intensity of use and of access to the shoreline, and thus constitutes development to which the Coastal Act and LCPs must apply. We do not believe that regulation outside of that LCP/CDP context (e.g., outright vacation rental bans through other local processes) is legally enforceable in the coastal zone, and we strongly encourage your community to pursue vacation rental regulation through your LCP.

The Commission has experience in this arena, and has helped several communities develop successful LCP vacation rental rules and programs (e.g., certified programs in San Luis Obispo and Santa Cruz Counties going back over a decade; see a summary of such LCP ordinances on our

[.pdf](#)). We suggest that you pay particular attention to the extent to which any such regulations are susceptible to monitoring and enforcement since these programs present some challenges in those regards. I encourage you to contact your [local district Coastal Commission office](#) for help in such efforts.

Second, the Commission has not historically supported blanket vacation rental bans under the Coastal Act, and has found such programs in the past not to be consistent with the Coastal Act. In such cases the Commission has found that vacation rental prohibitions unduly limit public recreational access opportunities inconsistent with the Coastal Act. However, in situations where a community already provides an ample supply of vacation rentals and where further proliferation of vacation rentals would impair community character or other coastal resources, restrictions may be appropriate. In any case, we strongly support developing reasonable and balanced regulations that can be tailored to address the specific issues within your community to allow for vacation rentals, while providing appropriate regulation to ensure consistency with applicable laws. We believe that appropriate rules and regulations can address issues and avoid potential problems, and that the end result can be an appropriate balancing of various viewpoints and interests. For example, the Commission has historically supported vacation rental regulations that provide for all of the following:

- Limits on the total number of vacation rentals allowed within certain areas (e.g., by neighborhood, by communitywide ratio, etc.).
- Limits on the types of housing that can be used as a vacation rental (e.g., disallowing vacation rentals in affordable housing contexts, etc.).
- Limits on maximum vacation rental occupancies.
- Limits on the amount of time a residential unit can be used as a vacation rental during a given time period.
- Requirements for 24-hour management and/or response, whether onsite or within a certain distance of the vacation rental.
- Requirements regarding onsite parking, garbage, and noise.
- Signage requirements, including posting 24-hour contact information, posting requirements and restrictions within units, and incorporating operational requirements and violation consequences (e.g., forfeit of deposits, etc.) in rental agreements.
- Payment of transient occupancy tax (TOT).
- Enforcement protocols, including requirements for responding to complaints and enforcing against violations of vacation rental requirements, including providing for revocation of vacation rental permits in certain circumstances.

These and/or other provisions may be applicable in your community. We believe that vacation rentals provide an important source of visitor accommodations in the coastal zone, especially for larger families and groups and for people of a wide range of economic backgrounds. At the same time we also recognize and understand legitimate community concerns associated with the potential adverse impacts associated with vacation rentals, including with respect to community character and noise

also recognize and understand legitimate community concerns associated with the potential adverse impacts associated with vacation rentals, including with respect to community character and noise and traffic impacts. We also recognize concerns regarding the impact of vacation rentals on local housing stock and affordability. Thus, in our view it is not an 'all or none' proposition. Rather, the Commission's obligation is to work with local governments to accommodate vacation rentals in a way that respects local context. Through application of reasonable enforceable LCP regulations on such rentals, Coastal Act provisions requiring that public recreational access opportunities be maximized can be achieved while also addressing potential concerns and issues.

We look forward to working with you and your community to regulate vacation rentals through your LCP in a balanced way that allows for them in a manner that is compatible with community character, including to avoid oversaturation of vacation rentals in any one neighborhood or locale, and that provides these important overnight options for visitors to our coastal areas. These types of LCP programs have proven successful in other communities, and we would suggest that their approach can serve as a model and starting place for your community moving forward. Please contact your local district Coastal Commission office for help in such efforts.

Sincerely,

A handwritten signature in black ink that reads "Steve Kinsey". The signature is written in a cursive, slightly slanted style.

STEVE KINSEY, Chair
California Coastal Commission

**NOTICE OF PUBLIC HEARING
CITY OF MALIBU
PLANNING COMMISSION**

The Malibu Planning Commission will hold a public hearing on **Monday, November 20, 2017, at 6:30 p.m. in the Council Chambers, Malibu City Hall, 23825 Stuart Ranch Road, Malibu, CA**, for the project identified below.

SHORT-TERM RENTAL ORDINANCE

ZONING TEXT AMENDMENT NO. 17-002 – Consider amendments to Title 17 (Zoning Ordinance) of the Malibu Municipal Code regarding short-term rental of property (also known as vacation rentals) in residential and multi-family zones

Applicant: City of Malibu
Location: Citywide
City Planner: Stephanie Hawner, Senior Planner
(310) 456-2489, extension 276
shawner@malibucity.org

The draft ordinance was assessed in accordance with the authority and criteria contained in the California Environmental Quality Act (CEQA), the State CEQA Guidelines (the Guidelines), and the environmental regulations of the City. The Planning Director hereby finds under Section 15061(b)(3) of the State CEQA Guidelines, the draft ordinance is exempt from the requirements of CEQA because it can be seen with certainty that the provisions contained herein would not have the potential for causing a significant effect on the environment.

A written staff report will be available at or before the hearing. All persons wishing to address the Commission will be afforded an opportunity in accordance with the Commission's procedures.

Copies of all related documents are available for review at City Hall during regular business hours. Written comments may be presented to the Planning Commission at any time prior to the beginning of the public hearing.

IF YOU CHALLENGE THE CITY'S ACTION IN COURT, YOU MAY BE LIMITED TO RAISING ONLY THOSE ISSUES YOU OR SOMEONE ELSE RAISED AT THE PUBLIC HEARING DESCRIBED IN THIS NOTICE, OR IN WRITTEN CORRESPONDENCE DELIVERED TO THE CITY, AT OR PRIOR TO THE PUBLIC HEARING.

If there are any questions regarding this notice, please contact Stephanie Hawner, Senior Planner, at (310) 456-2489, extension 276.



Bonnie Blue
Planning Director

Publish Date: October 26, 2017