



# City of Malibu

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June 15, 2021

Denise Venegas, Coastal Program Analyst  
California Coastal Commission  
South Central Coast District Office  
89 South California Street, Suite 200  
Ventura, CA 93001

**Re: City of Malibu Local Coastal Program Amendment No. 19-003 – Hosted Short-Term Rental Ordinance**

To Denise Venegas:

The following supplemental information is intended to provide more detail on the number of short-term rentals (STRs) operating in the City historically and answer additional questions from California Coastal Commission (CCC) staff provided in a letter dated April 22, 2021. In addition to the supplemental information provided below, Attachment A - *Malibu Short Term Rental Listings and Properties* provides the total STR listings and total STR properties in the City from 1/2/2018 to 5/2/2021. The difference between the categories (listings and properties) are explained below.

a. Consistency Analysis – Number of STRs in City: While the number of STR properties in the City fluctuates over time, the attached *Malibu Short Term Rental Listings and Properties* table (Attachment A) utilizes the 2nd day of every month for consistency purposes. This table was provided by Host Compliance. The City contracts with Host Compliance, which has a proprietary software service that collects data weekly across the top 50 short-term rental listing sites, to provide information about the number of short-term rentals operating in the City. Monitoring by Host Compliance facilitates identification of unregistered owners and increases compliance.

The attached table utilizes four categories defined as follows: The first column, *Total Listings in Jurisdiction*, includes all listings (advertisements) in the City including STRs and rentals available for 31 days or longer. Many property owners advertise their STR units on multiple websites (hosting websites) and each listing on a hosting website is counted as one listing. This means that one individual property that is listed on multiple hosting websites (Airbnb, VRBO, HomeAway, Booking.com, etc.) is counted multiple times. Therefore, this category does not represent the number of STRs operating in the City only the total number of listings.

The *Short-Term Rental Listings* category represents the listings from the *Total Listings in Jurisdiction* column that are identified as short-term rentals (30 days or less). Again, this category only provides information on the number of listings for STR properties in the City not the number of properties operating as STRs.

The next column or category, *Unique Short-Term Rental Properties*, begins to identify actual locations of advertised STRs. The units listed in this column have not been confirmed as STRs by address. Further research is needed to determine an actual “unique” or verified address. Hosting websites do not include addresses of

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STRs and photos of the STR are generally photos of the inside of the unit which makes identifying the unit by address more difficult. This is especially true for multi-family properties which may be identical in all respects except for a unit number.

Host Compliance utilizes a variety of sources to identify the address of each STR. This could include comparing photos of the inside of a unit to photos on real estate listing sites if the property was, at some point in the past, listed for sale. In addition, occasionally a hosting website will provide a photo of the outside of the building or a guest that stayed at the STR will post some identifying information that helps Host determine the address.

The last column in the table, *Unique Identified Short-Term Rental Properties* identifies individual (unique) properties that have been identified by address as advertising STRs. The difference in the last two columns means that the short-term rental unit counts have variability over time as Host Compliance's address identification efforts are achieved with sufficient evidence. When their analysis team can trace what is thought to be a *Unique Short-Term Rental* to a property in the *Unique Identified Short-term Rental* column, those records are merged, and the actual count of unique short-term rental properties drops.

Understanding the terminology that Host Compliance uses and the process it undertakes to identify STRs can help explain the numbers reported in previous City Council staff reports. For example, the Malibu City Council Agenda Report prepared on June 28, 2018, differentiated the listing and corresponding short-term rental unit counts as such: "As of June 22, 2018, Host identified 945 listings in Malibu. Of the 945 listings, Host identified 522 unique rental units." Host Compliance isolated 522 unique short-term rentals at that time, and of those, their efforts yielded street address identifications for 423 of them.

As demonstrated in the attached table, the number of unique identified STR properties decreased by 191 units from 12/2/2020 (372 units) to 2/2/2021 (181 units). This decrease corresponds with three letters sent to property owners that were identified as someone that may be renting an STR. The first letter, dated December 11, 2020, advised the property owner that the City had adopted Ordinance No. 468 (Enforcement Ordinance), which created a new STR Permit system to regulate the short-term rental of residential property. Owners were advised that effective January 15, 2021, the short-term rental of residential property could only be conducted with a valid STR permit and if they advertised or operated their property as an STR without a permit it would be considered a violation of Ordinance No. 468.

On December 29, 2020, a follow-up reminder letter was sent that explained all STR properties must apply for a short-term rental permit regardless of whether the owner had previously registered with the City to remit Transient Occupancy Tax (TOT) or only lists their property on Airbnb which collects and remits TOT on behalf of property owners who use its service. The letter further advised property owners that the short-term rental of property or the advertisement of such rental without a valid STR permit is subject to a fine of \$1,000 per day or violation, or twice the advertised short-term rentals daily rental rate per day or violation, whichever is higher.

The final letter was sent on January 24, 2021, as a warning that the City had implemented a new STR Permit Program and as of January 15, 2021, all STR properties must have a valid short-term rental permit in order to advertise or operate their property for short-term rental. The property owners were advised that they should immediately take down any offers, advertisements, and listings and cease any related operations until they secure a permit.

In addition to these letters, the City also sent out messaging about the ordinance on social media (Facebook, Twitter, Instagram and Nextdoor), sent emails to interested parties, and included information in the weekly City Manager's update.

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Some of property owners advised staff that they did not know their property was advertised as an STR because the previous property owner had operated the STR, and the advertisement had not been removed from the hosting website. Also, some property owners had advertised only once but the advertisement was still on the hosting website. Staff believes that some hosting websites leave advertisements up indefinitely even if they are not being rented for advertising purpose to promote their hosting website. This could show other prospective property owners that the hosting website is popular and contains a lot of listings. In other instances, the property owner advised the City that they learned their tenant was operating an STR without their permission. Other reasons people chose not to continue operating an STR include: an outstanding code enforcement case on the property, failure to pay past TOT, or onsite wastewater treatment system (OWTS) requirements had not been met.

At the same time the City was implementing the new STR Permit Program, Host Compliance undertook a comprehensive clean-up of their system to identify duplication of units and this clean-up resulted in the removal of additional STRs. Host did not track the number of units lost during this process but believes most of the decrease was due to the three letters sent to property owners.

It is also worth noting that Ordinance 468 also includes a section on hosting platform responsibilities. To satisfy these requirements, VRBO and Airbnb, two of the larger and more popular platforms, removed listings from their websites that did not have a valid short-term rental permit. In January 2021, as soon as the ordinance went into effect, VRBO removed or inactivated all listings that did not have a valid short-term rental from its website. In February 2021, Airbnb removed any STR listings on its website that did not display an STR permit number in the correct format designated by the City in accordance with the compliance agreement executed between Airbnb and the City.

While some of the identified property owners chose not to continue utilizing their property as an STR, for reasons noted previously, others converted their rental to 31 days or longer to avoid STR ordinance requirements.

The City believes the best source of data on the number of existing and potential STRs in the City is the number of permit applications. Currently the City has received STR permit applications from 244 properties and approved 202 permits for those properties. Of the 202 properties, 29 are multi-family properties (self-reported) and there are a total 117 units on those multi-family properties and 71 short-term rentals within those 117 units. This results in a total of 243 dwelling units approved for use as STRs.

There are 42 pending applications. The majority of the pending applications are working though issues related to outstanding code enforcement cases, out of compliance on-site wastewater systems (OWTS), or failure to pay past TOT fees. Currently, 20 of the 42 pending applications are nearing denial because they have not met the deadline to bring their property into compliance.

b. Updated Number of Multi-family and Single-Family Units - As provided in the California Department of Finance "Table 2 – E-5, City/County Populations and Housing Estimated 1/1/21<sup>1</sup> there were a total of 6,471 Housing Units in the City of which 4,405 were single family detached units, 1,525 were Multi-Family units and 541 were mobile home units.

Attachment A: Malibu Short Term Rental Listings and Properties

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<sup>1</sup> [https://www.dof.ca.gov/Forecasting/Demographics/Estimates/E-5/documents/E-5\\_2021\\_InternetVersion.xlsx](https://www.dof.ca.gov/Forecasting/Demographics/Estimates/E-5/documents/E-5_2021_InternetVersion.xlsx)

**Attachment A**  
**Malibu Short Term Rental Listings and Properties**

<b>Date</b>	<b>Total Listings in Jurisdiction</b>	<b>Short-Term Rental Listings</b>	<b>Unique Short-Term Rental Properties</b>	<b>Unique Identified Short-Term Rental Properties</b>
1/2/2018	696	676	569	5
2/2/2018	798	789	517	12
3/2/2018	840	832	442	388
4/2/2018	912	904	489	382
5/2/2018	923	914	525	377
6/2/2018	914	904	499	410
7/2/2018	883	874	495	423
8/2/2018	874	866	509	412
9/2/2018	887	880	489	429
10/2/2018	903	897	516	422
11/2/2018	768	761	453	401
12/2/2018	728	720	434	386
1/2/2019	695	687	406	376
2/2/2019	700	690	411	368
3/2/2019	709	700	418	361
4/2/2019	759	752	418	381
5/2/2019	743	736	446	386
6/2/2019	763	754	463	384
7/2/2019	763	755	459	387
8/2/2019	764	756	473	393
9/2/2019	801	794	487	394
10/2/2019	811	804	471	391
11/2/2019	782	776	456	384
12/2/2019	787	781	457	369
1/2/2020	789	783	456	365
2/2/2020	789	784	453	372
3/2/2020	779	774	449	362
4/2/2020	786	778	445	362
5/2/2020	727	718	420	362
6/2/2020	725	714	414	366
7/2/2020	768	756	431	381
8/2/2020	761	748	424	382
9/2/2020	774	761	429	392
10/2/2020	809	795	425	391
11/2/2020	826	812	433	400
12/2/2020	776	756	412	372
1/2/2021	587	562	307	290
2/2/2021	592	424	186	181
3/2/2021	577	415	178	174
4/2/2021	568	413	180	178
5/2/2021	572	423	178	176