



Short Term Rental Program Update Study Session

March 19, 2024

Background

- **September 3, 2019** – City Council Study Session on short-term rentals (STRs)
 - Four coastal cities studied (Carlsbad, Carpinteria, Newport Beach, and Pismo Beach), as well as the range of approaches in regulating short-term rentals in the coastal zone
 - Council expressed a desire for a high threshold type of regulation
- **December 21, 2020** – City Council approved ordinance to permit “hosted STRs” citywide and “hosted and unhosted STRs” in Sunset Beach only



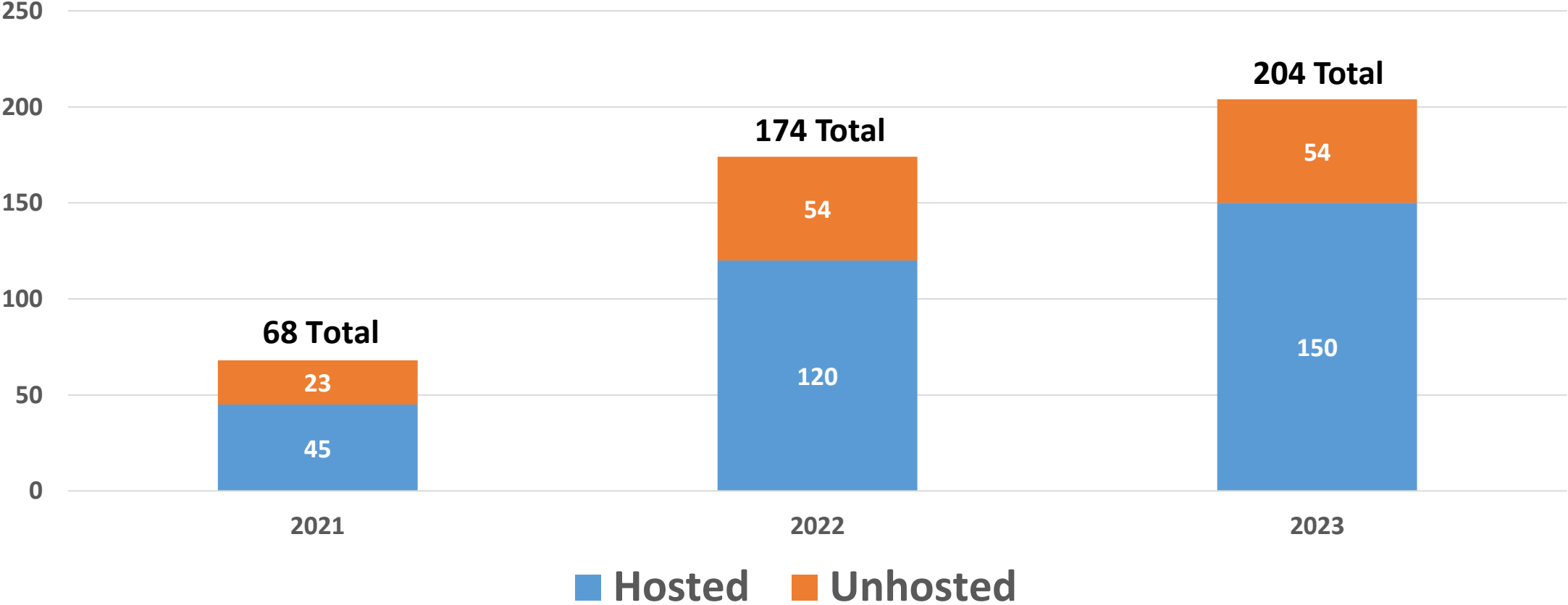
Background (cont.)

- **February 19, 2021** - Ordinance No. 4224 regulating STRs went into effect
 - Sunset Beach operators given 6 months from permit fee adoption to apply for an STR permit and secure their “unhosted” rights.
 - One STR permit allowed per operator
 - Regulatory framework includes permit application requirements, STR operational requirements and enforcement provisions
- **Summer 2021** – City Council Ad Hoc Committee created to gather additional community input on STRs.
- **December 2, 2021** – Ordinance No. 4238 approved, extending time to allow Sunset Beach owners to obtain an Unhosted STR Permit by March 1, 2022.
- **After March 1, 2022**, all new STR Permits required to be hosted.

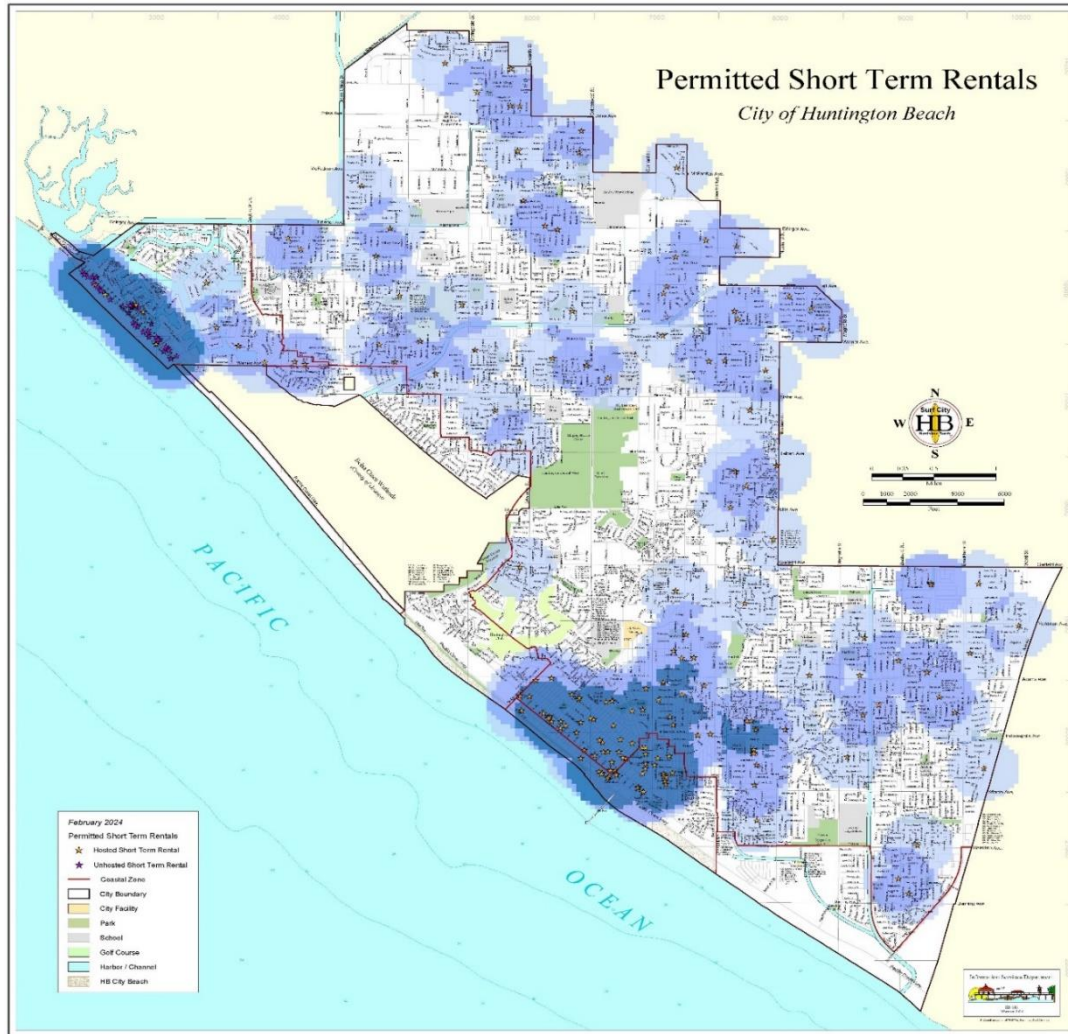
Roles & Responsibilities

- **Community Development**
 - Permit Center reviews STR applications; issues STR Permits
 - Code Enforcement inspects each property to ensure compliance with STR ordinance
- **Finance**
 - Issues Business License for Operators after an STR Permit is issued
- **City Treasurer's Office**
 - Collects and reports Transient Occupancy Taxes (TOT) and Tourism Business Improvement District (TBID) Assessments gathered from Operators.

Hosted & Unhosted STR Permits (by calendar year)



Permitted Short-Term Rentals



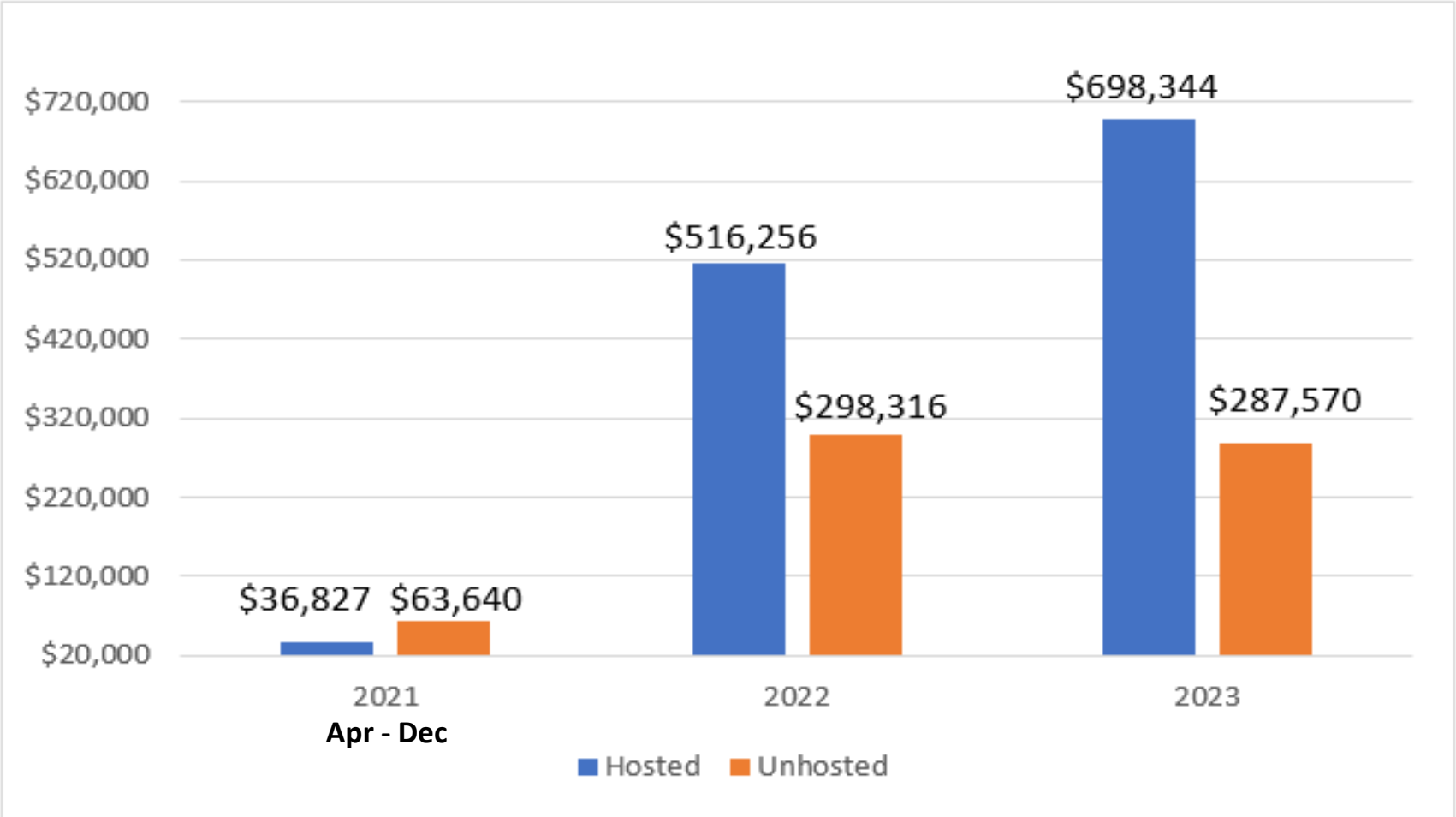
- Approx. 38% are located within the Coastal Zone
- Approx. 58% are located within Coastal Zone and adjacent RMH-A (Old Town/Town Lot) areas

STR Revenue

TBID & TOT Received from STR Operators April 2021 – December 2023

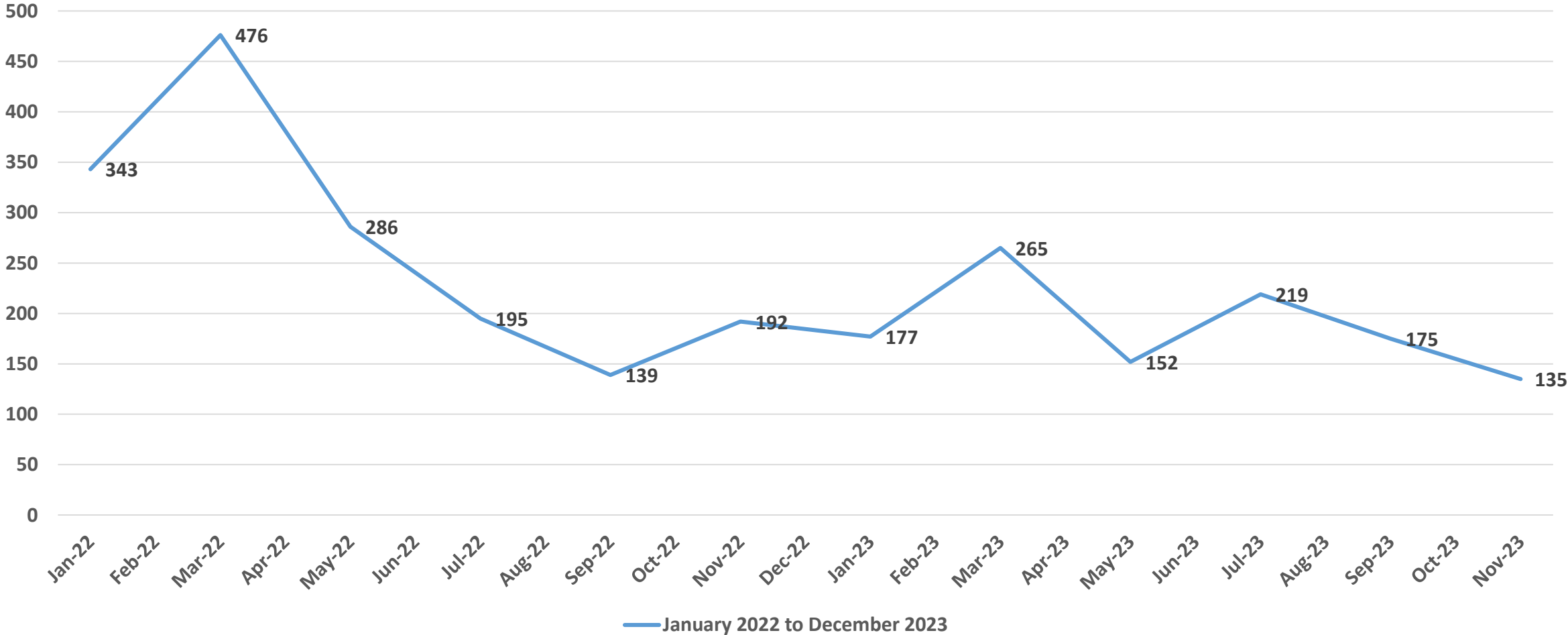
	UNHOSTED Revenue	HOSTED Revenue	Total Revenue
TBID Assessment 4% (to VHB)	\$253,313	\$484,330	\$737,644
TOT Tax 10% (to General Fund)	\$649,526	\$1,251,427	\$1,900,953
Total STR Revenue	\$902,839	\$1,735,757	\$2,638,596

City STR TOT Revenue By Calendar Year



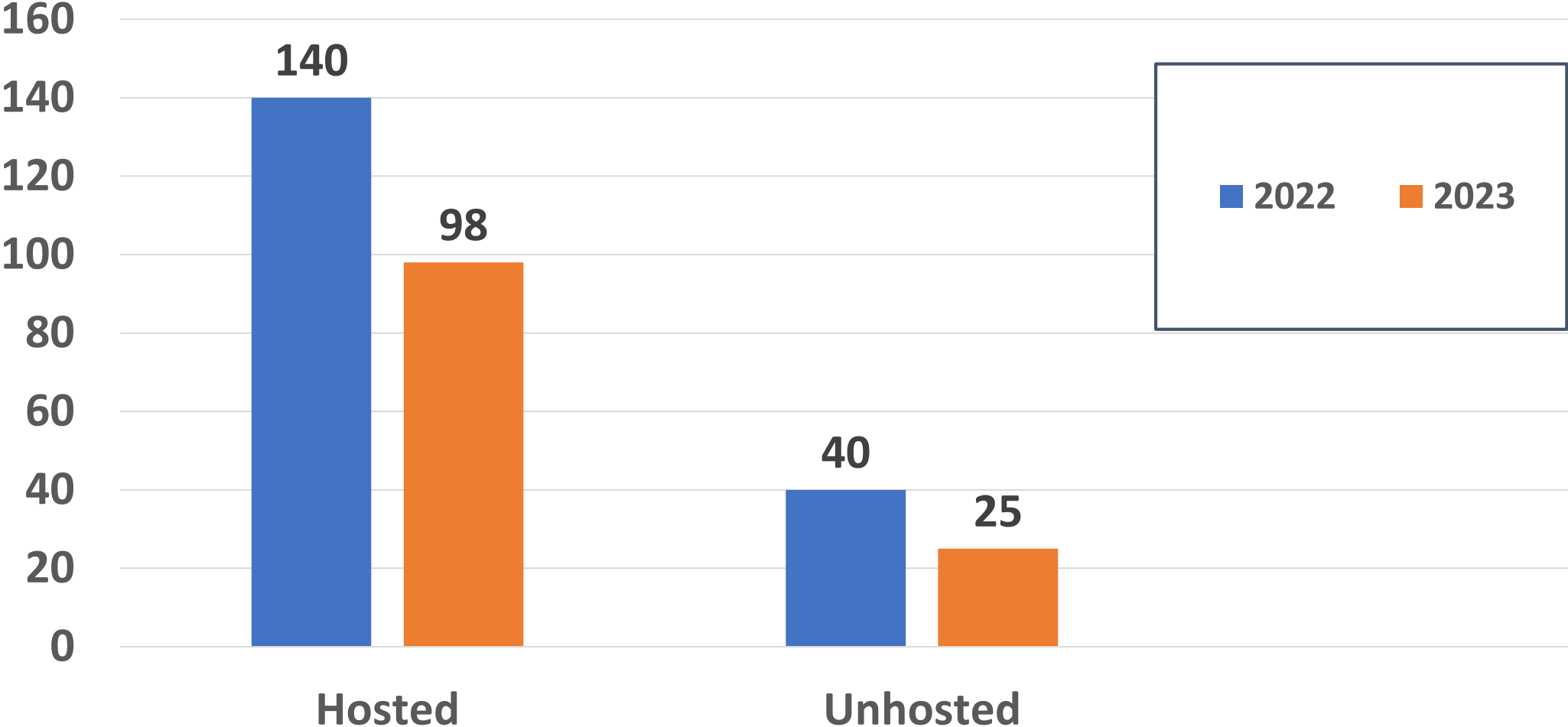
Unpermitted STRs

Number of Properties without STR Permits in 2022 & 2023



City contracts with 3rd party vendor GovOS to obtain unpermitted STR data

STR Complaints Against Permit Holders



Complaint Detail

STR Data 4/1/2021 - 12/31/2023

Complaint Categories	Citywide Complaints	HOSTED Confirmed Violations/ Addresses*	UNHOSTED Confirmed Violations/ Addresses*	Total Confirmed Violations/ Addresses	% of Total Permits
No Owner On-Site	105	49 (36 Addresses)	N/A	49 (36 Addresses)	24%
Noise	92	30 (19 Addresses)	19 (3 Addresses)	49 (22 Addresses)	24%
Maintenance	28	14 (12 Addresses)	2 (2 Addresses)	16 (14 Addresses)	8%
Occupancy	16	4 (4 Addresses)	2 (2 Addresses)	6 (6 Addresses)	3%
Construction	29	6 (6 Addresses)	4 (3 Addresses)	10 (9 Addresses)	5%
Parking	31	11 (10 Addresses)	2 (2 Addresses)	13 (12 Addresses)	6%
Trash	13	4 (4 Addresses)	0	4 (4 Addresses)	2%
Other	46	8 (8 Addresses)	1 (1 Address)	9 (9 Addresses)	4%

*Multiple Violations at Same Address

Enforcement

- Total of \$125,000 in Administrative Citations issued for violations
- Hosted:
 - 11 properties cited for No Owner On-Site
 - 2 properties cited for Not Responding Within 1 Hour
 - 2 Properties cited for Causing Disturbance
- Unhosted: No citations issued
- 27 Permits cancelled by owner
- 1 Permit for HOSTED was revoked by the City
- STR violations can be reported 24/7 at 714-375-5155, option “3”

Summary

- STR permits are issued Citywide with higher concentration in Sunset Beach and near Downtown
 - 204 STR permits (December '23)
- Both hosted and unhosted STRs are generating revenue to City (\$985,914 TOT collected in 2023)
- Unpermitted STRs have declined from 867 (in 2020) to 135 (in 2023)
- Complaints related to noise and no owner on site generate highest number of complaints
- Complaints have declined from 180 (in 2022) to 123 (in 2023)