



Legislation Details (With Text)

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Title: City Council to Consider Directing Staff to Draft an Amendment to the Short Term Rental Ordinance and an Extension of the De-Listing Deadline

Attachments: 1. Att#1 Short Term Rental Location Density Map, 2. Sup Com 9-21-21 PP, 3. Sup Com 9-21-21

Date	Ver.	Action By	Action	Result
9/21/2021	1	City Council/Public Financing Authority	approved as amended	Pass

REQUEST FOR CITY COUNCIL ACTION

SUBMITTED TO: Honorable Mayor and City Council Members

SUBMITTED BY: Oliver Chi, City Manager

PREPARED BY: Ursula Luna-Reynosa, Director of Community Development

Subject:

City Council to Consider Directing Staff to Draft an Amendment to the Short Term Rental Ordinance and an Extension of the De-Listing Deadline

Statement of Issue:

Shortly after adopting a Short Term Rental Ordinance, the City Council directed staff to hold off on causing the various rental platforms to de-list non-permitted short term rentals until October 1, 2021. The City Council created an Ad Hoc Short Term Rental Committee to meet with stakeholder groups and discuss concerns with the ordinance. This item is to share the Ad Hoc Committee's recommendations with the entire City Council and for the City Council to direct staff on how to proceed.

Financial Impact:

There are no direct fiscal impacts associated with this action.

Recommended Action:

A) Direct staff to enforce the ordinance as adopted and cause the various platforms to de-list unpermitted short term rentals by October 1, 2021; or

B) Direct staff to bring forward an amended ordinance that creates a zone structure within the Coastal Overlay District that will limit the number of short term rentals that can be operated within each zone, and hold off on causing the various rental platforms to de-list until the City Council considers an amended ordinance.

Alternative Action(s):

Do not direct staff to move forward with either Recommended Action A or B and provide alternative direction.

Analysis:

After many years of discussion, the City Council conducted two study sessions, on September 3, 2019 and September 21, 2020 and ultimately directed staff to draft a highly restrictive short term rental ordinance that allows only for hosted short term rentals (with an exception for property owners within Sunset Beach that were provided a 6 month timeframe to request permits for non-hosted short term rentals). The ordinance was adopted on January 19, 2021 and became effective on February 19, 2021. The City Council expressed interest in a careful rollout and requested that staff return to the City Council in one year to provide an overview of enforcement efforts, particularly related to the un-hosted short term rentals in Sunset Beach. Depending on the data, the City Council expressed possible interest in opening the ordinance to un-hosted short term rentals.

Shortly after the adoption of the ordinance, when the hosting platforms were about to de-list the unpermitted short term rentals, property owners that were about to be de-listed contacted City Council with concerns. The City Council directed staff to hold off on causing the platforms to de-list until October 1, 2021 and created an Ad Hoc Committee consisting of Mayor Carr, and Councilmen Kalmick and Peterson. The purpose of the Ad Hoc Committee was to solicit input from stakeholders and discuss whether changes were needed to the ordinance.

The Ad Hoc Committee held a meeting on June 22, 2021 and allowed certain community members to attend and share their input on the ordinance. Many of the concerns raised about the ordinance had already been addressed by staff. It was clear that the major concern from some of the participants had to do with the ordinance's restrictions on un-hosted short term rentals and their desire to expand un-hosted short term rentals beyond Sunset Beach.

The Ad Hoc Committee held a couple of additional meetings with staff to discuss the input received and follow up with Newport Beach city officials. Based on these additional discussions, a majority of the Ad Hoc Committee would like to explore the idea of creating three zones within the Coastal Overlay District where un-hosted short term rentals would be allowed. Each zone would have a cap. Please see the attached map (Attachment 1) that shows potential zones based on discussion at the last Ad Hoc meeting. This map also shows the number of active short term rental advertisements as of July 19, 2021. This map is meant to provide a snapshot of activity and prospective zones for illustration purposes only.

Prior to putting significant time and effort into thinking about this issue of zones, staff is seeking direction from the entire City Council. Does the City Council desire to direct staff to create a program of zones within the Coastal Overlay district to allow un-hosted short term rentals? If so, staff recommends that the Council direct staff to embark on this effort and continue to the postponement of de-listing non-permitted short term rentals until staff brings back and amended ordinance for consideration. Alternatively, the City Council can stick with the original plan and enforcement the short term rental ordinance as adopted and commence with the de-listing effective October 1, 2021.

Environmental Status:

The requested actions represent administrative activities of the City Council that would not result in

direct or indirect physical changes in the environment. As such, the requested actions are not a project pursuant to CEQA Guidelines Section 15378(b)(5).

Strategic Plan Goal:

Non Applicable - Administrative Item

Attachment(s):

1. Short Term Rental Location Density Map