



Request for Planning Commission Action

TO: Planning Commission
FROM: Planner
SUBJECT: SHORT TERM RENTALS

DATE: September 9, 2015

Location:

City Wide

Proposal:

Discussion to review Short Term Rentals (STR's).

Discussion:

Staff has received several complaints about Short Term Rentals (STR's) located in the R1 – "Single-Family Residence" zoned areas of the city. STR's are defined as homes that are rented out by homeowners on a short term basis – often a weekend or a week at a time and usually less than 30 days. STR's are often found in destination or vacation cities as an alternative to staying at a hotel but since the adoption of short term rental websites like airbnb.com (Air Bed and Breakfast) and vrbo.com (Vacation Rentals By Owner), short term rentals have gained popularity and have expanded to surrounding cities around destination areas – such as the City of Fountain Valley.

Currently, STR's are not permitted in the city of Fountain Valley as they are not specifically identified in the list of permitted uses in the Residential zone. Further, if a proposed use of land is not specifically listed in the Development Code, the use shall not be allowed. At this point, staff feels that STR's are a prominent enough land-use classification that they should be specifically addressed in the zoning code.

The City has only recently been made aware of STR's operating in single-family residence neighborhoods. Complaints that Code Enforcement, and the Police Department, have received from neighbors of STR's include:

1. They have a different neighbor every weekend;
2. Parties until late at night;
3. STR's generate a lot of traffic and illegal parking;
4. Water use and trash complaints;
5. Noise complaints.

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Code Enforcement staff has received several complaints on a total of four (4) different homes and is currently investigating these complaints. According to airbnb.com there are as many as twenty-six (26) listings in the City of Fountain Valley.

The topic of STR's has recently been considered in many other cities in Southern California. Staff analyzed a few cities and their rules and regulations on STR's. The City of Seal Beach prohibits STR's, the City of Palm Desert allows STR's with strict requirements, the City of Santa Monica permits STR's as long as the one of the dwelling unit's primary residents lives on-site, and the City of San Diego is currently looking to implement regulations for STR's. The analysis below provides the requirements by city.

Seal Beach

- Prohibited
- §11.4.05.135.A – “Prohibited. No residentially zoned property, or any portion thereof, shall be leased or rented for a term of 29 days or less for any purpose, including but not limited to an residential or commercial purpose such as vacation rentals, weddings, or other event rentals.”

Palm Desert

- Permitted
- Requirements
 - §5.10 – Permitted with a short term rental permit that must be renewed annually. Owner must comply with certain requirements such as:
 1. Obtain a short term rental permit.
 2. Number of occupants restricted by the number of bedrooms.
 3. Unit cannot be rented for less than 3 days and 2 nights.
 4. Operator must designate a local contact person available 24 hours/day to respond to complaints within 60 minutes and take remedial action to resolve complaints.
 5. Occupants of short term rentals must designate a responsible person who is 21 years or older responsible for assuring that occupants comply with all applicable laws and regulations.
 6. Operator is responsible for paying all transitory occupancy taxes and maintaining records of those taxes for 3 years.
 7. Failure to comply with any requirements results in an administrative or infraction citation with a fine and constitutes a public nuisance.

Santa Monica

- Permitted
- Requirements
 - §6.20.010 – STR's allowed but defined as “home-sharing” per their Municipal Code. Home-sharing is defined as, “an activity whereby the residents host visitors in their homes, for compensation, for periods of 30 consecutive days or less, while at least one of the dwelling unit's primary residents lives on-site, in the dwelling unit, throughout the visitors' stay.”
 1. Hosting platform, like Airbnb, must remit transitory occupancy taxes to the city and to regularly disclose to the city all listings in the city for STR's.
 2. If a hosting platform is not used, homeowner is responsible for remitting transitory occupancy taxes to the city.

3. Failure to comply with any requirements is an infraction, punishable by fine, or a misdemeanor, punishable by fine or jail time.

San Diego

- Looking to permit STR's
- Potential Requirements for "Short Term Vacation Rental of a Dwelling Unit"
 - Allowed in most residential areas
 - The dwelling unit must be maintained and used for residential occupancy only.
 - A minimum 200 sq. ft. per occupant shall be provided and maintained within the dwelling unit.
 - Hosts would be required to share and enforce a rental agreement with visitors and designate a local contact to respond within 1 hour of any complaints.
 - Occupants are expected to be respectful and maintain the residential character of the neighborhood.
 - Rental agreement shall be provided to visitor tenants prior to occupancy and to the City upon request.
 - Operator shall post notice on the premises in a location visible to the general public that includes the contact number of the designated local contact.
 - The operator must pay transient occupancy taxes.
 - A maximum of 25% of the dwelling units in a multiple dwelling unit structure may be rented out on a short term basis less than 30 days.
 - City is still looking at how many guests and visits should be allowed per month.
- Potential Requirements for "Home Sharing Accommodations"
 - Property owner is required to remain in the home while the visitor stays for less than 30 days.
 - The total floor area dedicated to home sharing shall not exceed 25% of the gross floor area of the dwelling unit.
 - No more than 2 visitors paying compensation for lodging are permitted at any one time.
 - At least 1 parking space must be provided for each 2 paying visitors.
 - The operator must pay transient occupancy taxes.
 - City is still looking at how many visits are allowed.

Recommended Action:

Staff recommends that the Planning Commission discuss and provide staff with direction on how STR's should be addressed and regulated in the City of Fountain Valley.



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