

CALIFORNIA COASTAL COMMISSION

South Coast District Office
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W11a

**LCP-5-LGB-19-0074-1 (SHORT-TERM LODGINGS)
CITY OF LAGUNA BEACH
OCTOBER 7, 2020**

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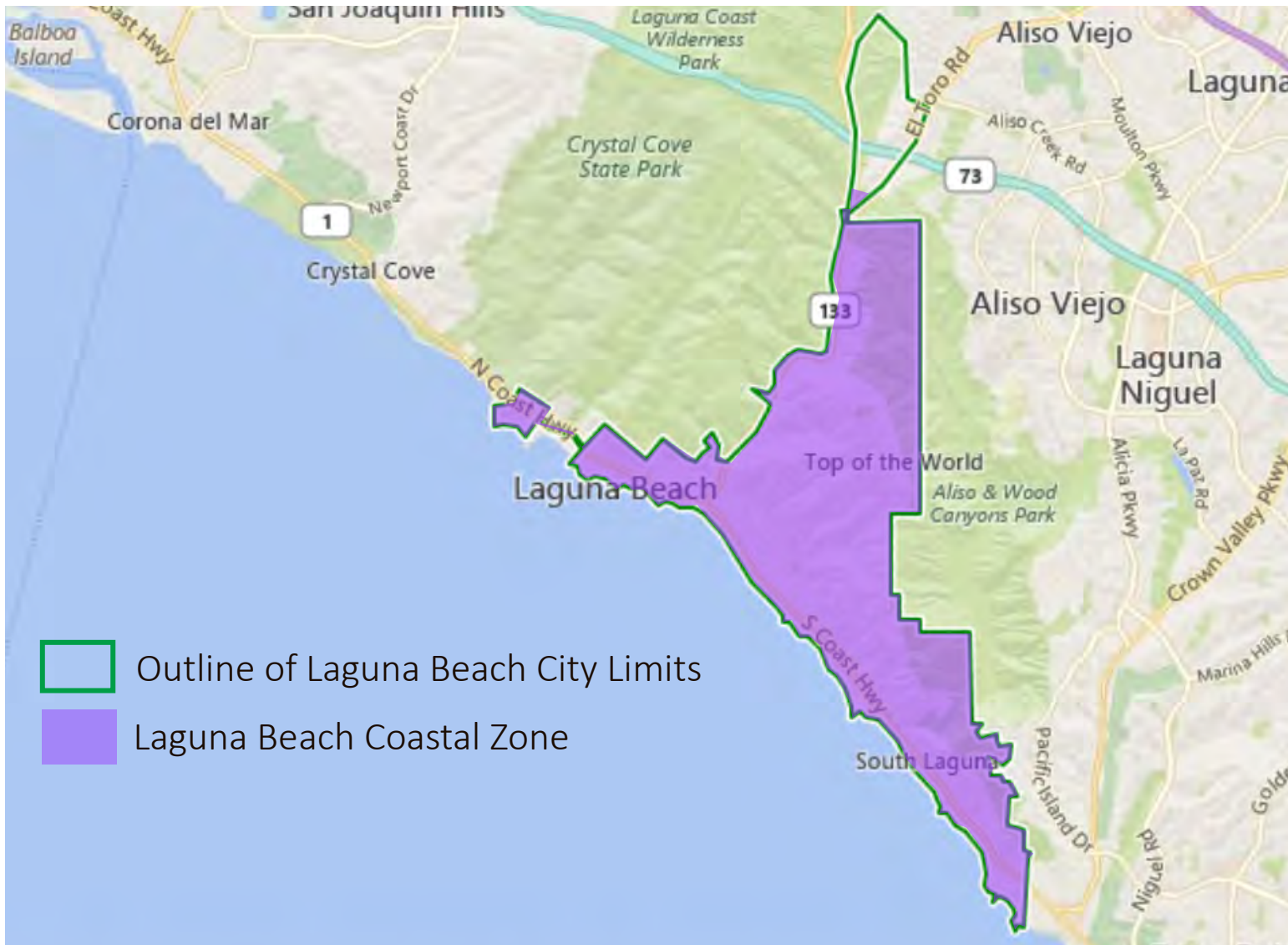
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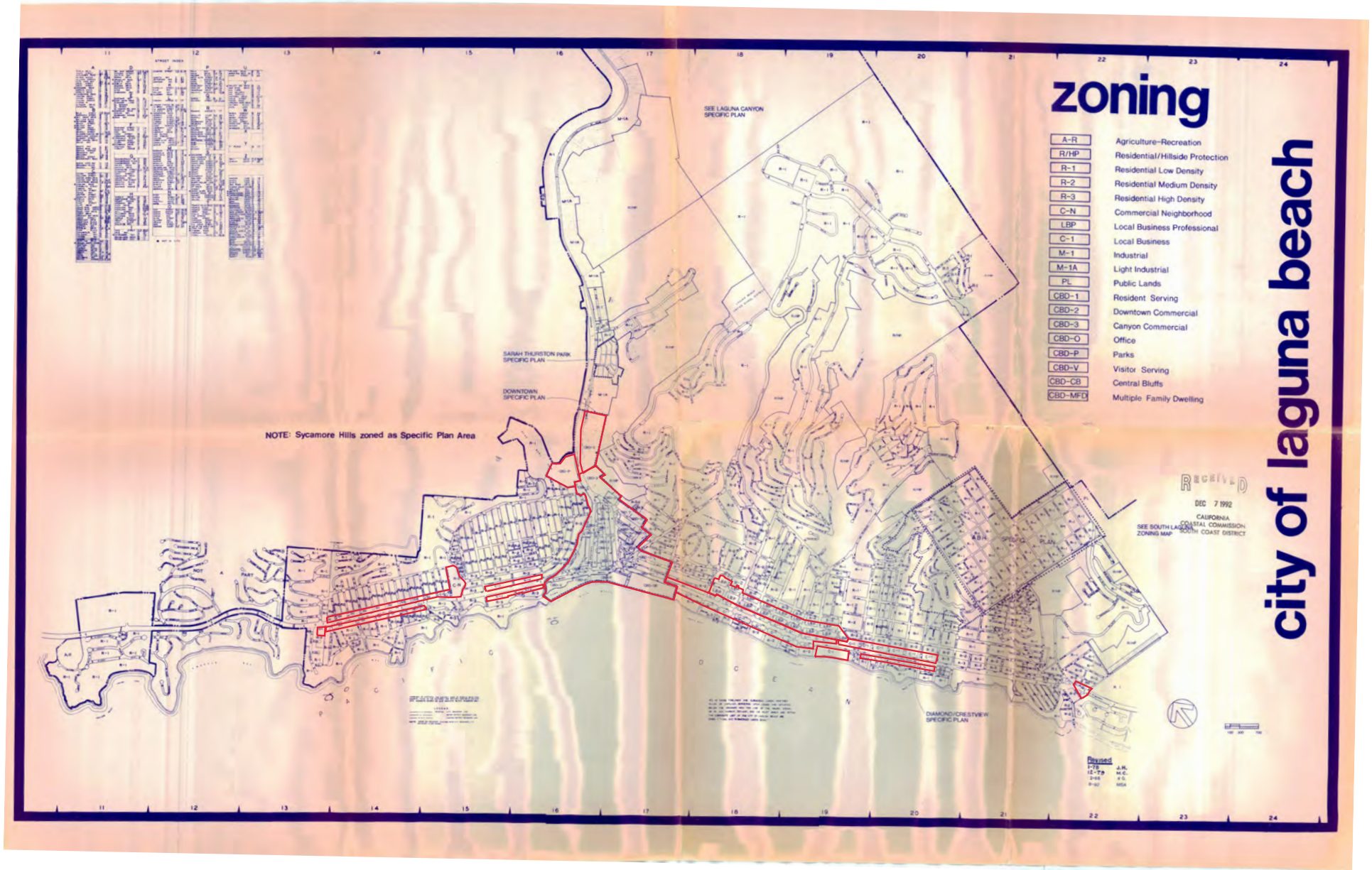
City of Laguna Beach – Vicinity Map



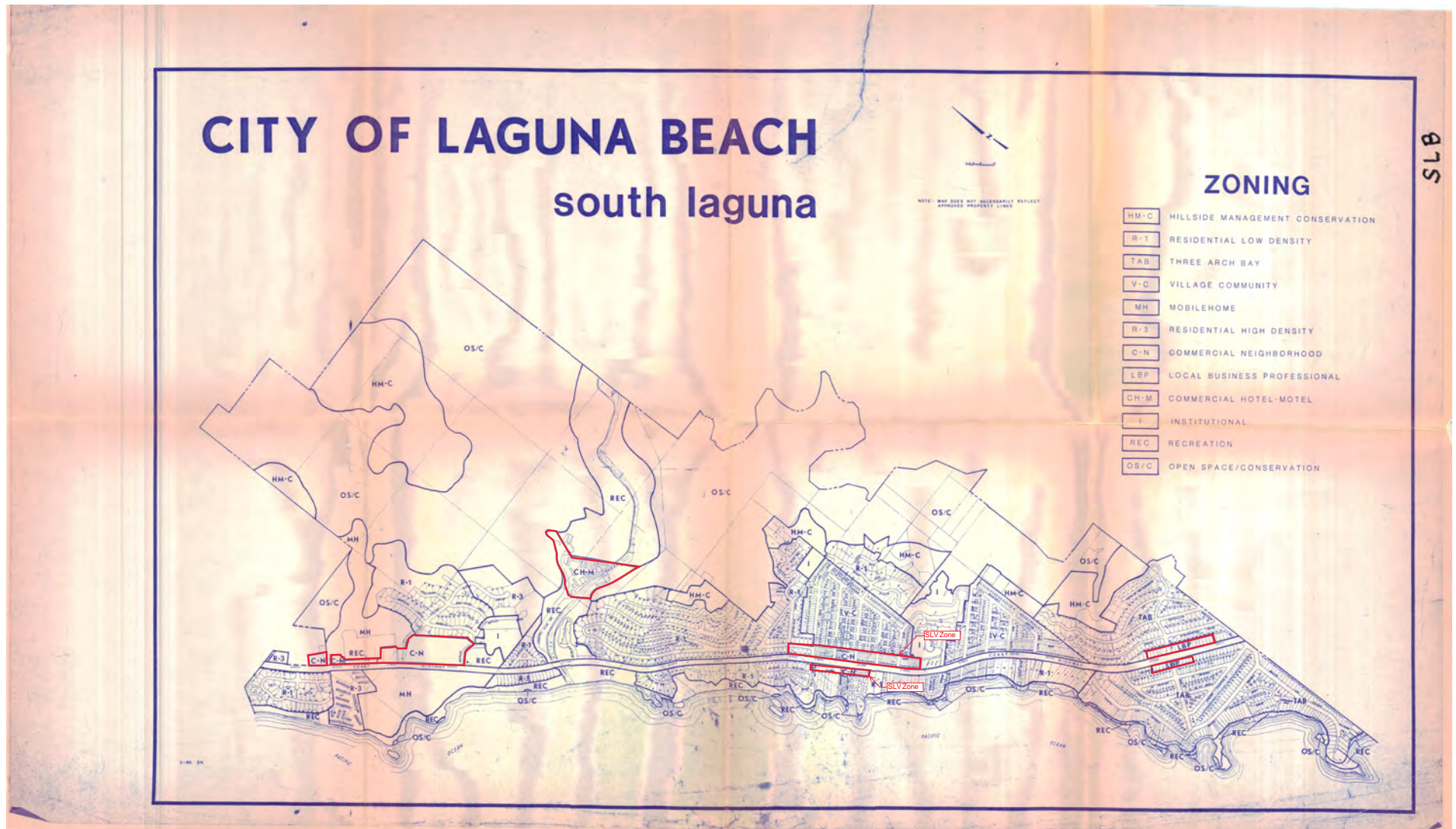
City of Laguna Beach Coastal Zone



Laguna Beach Zoning Map of City of Laguna Beach certified LCP (Part 1)



Laguna Beach Zoning Map of City of Laguna Beach certified LCP (Part 2)



RESOLUTION NO. 19.030

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LAGUNA BEACH, CALIFORNIA, ADOPTING LOCAL COASTAL PROGRAM AMENDMENT 15-2254 AND REQUESTING ITS CERTIFICATION BY THE CALIFORNIA COASTAL COMMISSION

WHEREAS, after notice duly given pursuant to Government Code Section 65090 and Public Resources Code Sections 30503 and 30510, the Planning Commission of the City of Laguna Beach held a public hearing on March 16, 2016 to consider the adoption of Laguna Beach Local Coastal Program Amendment 15-2254 and Ordinance No 1617 pertaining to amendments to Chapters 25.23, 25.10, 25.12, 25.14 and 25.43 of the Laguna Beach Municipal Code relating to the regulation of short-term lodging; and

WHEREAS, the City Council, after giving notice as prescribed by law, held a public meeting on August 9, 2016 and August 30, 2016 regarding proposed Laguna Beach Local Coastal Program Amendment 15-2254 and Ordinance No. 1617; and

WHEREAS, on September 27, 2016, the City Council adopted Resolution No. 16.076 adopting Local Coastal Program Amendment No. 15-2254 and requesting its certification by the California Coastal Commission; and

WHEREAS, on October 11, 2016, the City forwarded its request to the Acting Executive Director of the California Coastal Commission, requesting that the Coastal Commission consider, approve and certify the City's Local Coastal Program Amendment; and

WHEREAS, on December 14, 2017, the Coastal Commission approved with modifications Local Coastal Program Major Amendment No. 1-16; and

WHEREAS, one of the modifications approved by the Coastal Commission changed the intent of Ordinance No. 1617 to remove short-term lodging as a permitted use in the R-1, R-2, and R-3 Zoning Districts by re-instating short-term lodging as a permitted use in those zoning

1 districts; and

2 **WHEREAS**, the Coastal Commission's approval with modifications of Local Coastal
3 Program Major Amendment No. 1-16 would not become effective for implementation in the
4 City's coastal zone until the City Council adopts the Coastal Commission's action and forwards
5 such adoption to the Commission for review and certification by the Coastal Commission's
6 Executive Director and concurrence by the Coastal Commission; and
7

8 **WHEREAS**, the City's adoption of the modifications approved by the Coastal
9 Commission must be completed within 6 months from the date of the Coastal Commission's
10 decision, unless the deadline is extended by the Coastal Commission; and
11

12 **WHEREAS**, the parties desired additional time and opportunity to further discuss and
13 negotiate in good faith in order to avoid litigation pertaining to the Coastal Commission's
14 actions, including but not limited to a discussion and negotiation of the Commission's suggested
15 modifications and other possible modifications to the City's application; and
16

17 **WHEREAS**, on February 8, 2018, August 8, 2018, and November 26, 2018, the City
18 and the Coastal Commission entered into a series of tolling agreements to allow additional time
19 for the parties to negotiate in good faith and to avoid litigation; and
20

21 **WHEREAS**, staff of the Coastal Commission and the City have met since the Coastal
22 Commission's approval with modifications of Local Coastal Program Major Amendment No. 1-
23 16 to discuss and negotiate in good faith the Coastal Commission's suggested modifications and
24 other possible modifications to the City's application; and
25

26 **WHEREAS**, on April 23, 2019 and June 4, 2019, the City Council conducted legally
27 noticed public hearings and has reviewed and considered all documents, testimony and other
28 evidence presented;

1 WHEREAS, short-term rentals are not a form of residential use that is permitted by
2 right pursuant to the Laguna Beach Municipal Code inasmuch as Municipal Code Chapter
3 25.23, part of the City's certified Local Coastal Program, call for the discretionary processing
4 of and action on an application for an Administrative Use Permit or Conditional Use Permit
5 in order to allow short-term rentals; and
6

7 WHEREAS, with adoption of Ordinance No. 1635, short-term lodging will continue
8 to be promoted in the City because said Ordinance allows the existing Administrative Use
9 Permits encompassing short-term rental units to continue to operate within the confines of
10 the Ordinance without expiration; and
11

12 WHEREAS, Ordinance No. 1635 expands the number of commercial zoning districts
13 and subsequently commercial properties available for future short-term rentals, whereby the
14 total number of properties in commercial zones within which short-term rentals are permitted
15 is approximately 789 properties, which could potentially allow up to approximately 2,816
16 residential units that may be utilized for future short-term lodging units and, additionally,
17 there are currently approximately 734 existing residential units located within these same
18 commercial zoning districts that could, through permit approval, accommodate short-term
19 lodging; and
20

21 WHEREAS, while Ordinance No. 1635 would not permit additional short-term
22 rentals in residential zoning districts, there is a significant amount of current and potential
23 available sites within existing commercial districts to accommodate the need for this
24 important visitor serving use; and
25

26 WHEREAS, there will not be an impact to lower cost visitor serving uses because the
27 existing Administrative Use Permits for short-term rental units will be allowed to continue
28

1 regardless of what zoning district they are located in, and due to the potential for a significant
2 number of new short-term lodging units allowed in commercial zones; and

3 **WHEREAS**, the City Council finds that proposed Laguna Beach Local Coastal
4 Program Amendment 15-2254 is consistent with the Laguna General Plan and the certified
5 Laguna Beach Coastal Land Use Plan and Chapter 6 of the California Coastal Act; and

6 **WHEREAS**, the City Council of the City of Laguna Beach intends to implement the
7 Local Coastal Program in a manner fully consistent and in conformance with the California
8 Coastal Act;

9 **NOW, THEREFORE**, the City Council of the City of Laguna Beach does hereby
10 resolve as follows:

11 **SECTION 1.** That Laguna Beach Local Coastal Program Amendment 15-2254 is
12 hereby approved, consisting of Ordinance No. 1635 pertaining to amendments to Title 25 –
13 Zoning related to Short-Term Lodging. A copy of Ordinance No. 1635 is attached hereto as
14 Exhibit A, and is incorporated by this reference as though fully set forth herein.

15 **SECTION 2.** That the City staff is directed to forward this Resolution and all public
16 hearing notices, staff reports, exhibits, minutes and public comments associated with
17 Ordinance No. 1635 and other relevant information to the attention of the Acting Executive
18 Director of the Coastal Commission.

19 **SECTION 3.** That the California Coastal Commission is hereby requested to
20 consider, approve and certify Laguna Beach Local Coastal Program Amendment No. 15-
21 2254.

22 **SECTION 4.** That pursuant to Section 13551(b) of the Coastal Commission
23 Regulations, Laguna Beach Local Coastal Program Amendment No. 15-2254 will
24

1 automatically take effect immediately upon California Coastal Commission approval, as
2 provided in Public Resources Code Sections 30512, 30513 and 30519.

3
4 ADOPTED this 4th day of June, 2019.


5
6 
7 Bob Whalen, Mayor

8 ATTEST:

9 
10 City Clerk

11
12 I, LISETTE CHEL-WALKER, City Clerk of the City of Laguna Beach, California,
13 do hereby certify that the foregoing Resolution No. 19.030 was duly adopted at a Regular
14 Meeting of the City Council of said City held on June 4, 2019, by the following vote:

15 AYES: COUNCILMEMBER(S): Iseman, Kempf, Whalen
16 NOES: COUNCILMEMBER(S): Blake, Dicterow
17 ABSENT: COUNCILMEMBER(S): None

18
19 
20 City Clerk of the City of Laguna Beach, CA
21
22
23
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27
28

ORDINANCE NO. 1635

**AN ORDINANCE OF THE CITY OF LAGUNA BEACH AMENDING
CHAPTERS 25.05, 25.10, 25.12, 25.14, 25.23 AND 25.43 OF THE
LAGUNA BEACH MUNICIPAL CODE RELATING TO SHORT-TERM
LODGING**

WHEREAS, on March 16, 2016, the Planning Commission conducted a legally noticed public hearing and, and after reviewing and considering all documents, testimony and other evidence presented, voted to recommend that the City Council approve Ordinance No. 1617 and Local Coastal Program Amendment No. 15-2254, regarding short-term lodging; and

WHEREAS, on August 9, 2016 and August 30, 2016, the City Council conducted legally noticed public hearings and reviewed and considered all documents, testimony and other evidence presented; and

WHEREAS, at its August 30, 2016 hearing, the City Council approved Ordinance No. 1617 and Local Coastal Program Amendment No. 15-2254; and

WHEREAS, on September 27, 2016, the City Council adopted Resolution No. 16.076 adopting Local Coastal Program Amendment No. 15-2254 and requesting its certification by the California Coastal Commission; and

WHEREAS, on October 11, 2016, the City forwarded its request to the Acting Executive Director of the California Coastal Commission, requesting that the Coastal Commission consider, approve and certify the City's Local Coastal Program Amendment; and

WHEREAS, on December 14, 2017, the Coastal Commission approved with modifications Local Coastal Program Major Amendment No. 1-16; and

WHEREAS, one of the modifications approved by the Coastal Commission changed

the intent of Ordinance No. 1617 to remove short-term lodging as a permitted use in the R-1, R-2, and R-3 Zoning Districts by re-instating short-term lodging as a permitted use in those zoning districts; and

WHEREAS, the Coastal Commission's approval with modifications of Local Coastal Program Major Amendment No. 1-16 would not become effective for implementation in the City's coastal zone until the City Council adopts the Coastal Commission's action and forwards such adoption to the Commission for review and certification by the Coastal Commission's Executive Director and concurrence by the Coastal Commission; and

WHEREAS, the City's adoption of the modifications approved by the Coastal Commission must be completed within 6 months from the date of the Coastal Commission's decision, unless the deadline is extended by the Coastal Commission; and

WHEREAS, the parties desired additional time and opportunity to further discuss and negotiate in good faith in order to avoid litigation pertaining to the Coastal Commission's actions, including but not limited to a discussion and negotiation of the Commission's suggested modifications and other possible modifications to the City's application; and

WHEREAS, on February 8, 2018, August 8, 2018, and November 26, 2018, the City and the Coastal Commission entered into a series of tolling agreements to allow additional time for the parties to negotiate in good faith and to avoid litigation; and

WHEREAS, staff of the Coastal Commission and the City have met since the Coastal Commission's approval with modifications of Local Coastal Program Major Amendment No. 1-16 to discuss and negotiate in good faith the Coastal Commission's suggested modifications and other possible modifications to the City's application; and

WHEREAS, on April 23, 2019 and June 4, 2019, the City Council conducted legally noticed public hearings and has reviewed and considered all documents, testimony and other evidence presented;

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF LAGUNA BEACH DOES ORDAIN as follows:

SECTION 1. Chapter 25.23 (Short-Term Lodging) of the Laguna Beach Municipal Code is hereby amended and shall read in its entirety as follows:

**Chapter 25.23
SHORT-TERM LODGING**

Sections:

25.23.010	Purpose and Findings
25.23.020	Definitions
25.23.030	Permit Required
25.23.040	Conditions
25.23.050	Permit does not run with the land
25.23.060	Continuation of legal Short-Term Lodging Units in Residential Zones
25.23.065	Continuation of legal Short-Term Lodging Units in Commercial Zones
25.23.070	Responsibilities of Short-Term Lodging Hosting Platforms
25.23.080	Violations

25.23.010 Purpose and Findings

The City Council of the City of Laguna Beach finds and declares as follows:

(A) Visitors, who rent short-term lodging units, can escalate the demand for City services and create adverse impacts in zoning districts that allow residential uses.

(B) Short-term lodging units are considered a commercial use, which are not permitted in residentially-zoned properties.

(C) Short-term lodging units can be associated with the depletion of the City's limited supply of multiple-family residential units.

(D) Incidents involving excessive noise, disorderly conduct, vandalism, overcrowding, traffic congestion, illegal vehicle parking and accumulation of refuse can be associated with short-term lodging units, which require response from police, fire, paramedic and other City services and can escalate the demand for such services.

(E) Agents and/or absentee owners operate many short-term lodgings.

(F) The restrictions of this Chapter are necessary to prevent the burden on City services and adverse impacts on residential neighborhoods posed by short-term lodgings and

to preserve the City's existing rental housing stock consistent with the adopted General Plan.

25.23.020 Definitions

For the purpose of this Chapter, the following definitions shall apply:

(A) "Booking Transaction" means any reservation or payment service provided by a person who facilitates a short-term rental transaction between a prospective transient user and an owner or operator.

(B) "District" means the zones of the City designated by this Title.

(C) "Good neighbor brochure" means a document prepared by the City that summarizes the general rules of conduct, consideration, and respect including but not limited to the provisions of the City of Laguna Beach Municipal Code and other applicable laws, rules or regulations pertaining to the use and occupancy of the short-term lodging units.

(D) "Home exchange" means the simultaneous exchange of homes by one owner with another owner in a different city for short periods of time, for not less than one week and not more than two times in total per calendar year, by written agreement between both parties to exchange homes without any exchange of compensation or other consideration.

(E) "Home sharing" is a form of short-term lodging subject to the provisions of this Chapter and means a rental in a residential unit for 30 consecutive days or less during which the host lives on-site for the entirety of the visitor's stay and the visitor enjoys the non-exclusive shared use of the host's home in exchange for compensation, including any type of in-kind trade or exchange agreement between the property owner or designated resident host and the boarder, lodger or visitor.

(F) "Hosting Platform" means a person who participates in the short-term lodging rental business by collecting or receiving a fee, directly or indirectly through an agent or intermediary, for conducting a booking transaction using any medium of facilitation.

(G) "Large or unruly gathering" means a gathering of persons for social occasion that results in a public nuisance or threat to the public health, safety or general welfare or quiet enjoyment of residential property or nearby public property.

(H) "Local contact person" means the person designated by the owner or the owner's authorized agent or representative who shall be available twenty-four hours per day, seven days per week for the purpose of: (1) responding within sixty minutes to complaints regarding the condition, operation, or conduct of occupants of the short-term lodging unit; and (2) taking remedial action to resolve any such complaints.

(I) "Lodging unit" or "Residential Unit" means the same as a "dwelling unit," which is a room or suite of rooms with a single kitchen used for the residential use and occupancy of one family, including a single-family residence, an apartment or other leased premises, a residential condominium unit or any other residential real estate improvement that is located in a zoning district within which short-term lodging is allowed pursuant to this chapter and which is rented to person(s) other than the owner. "Lodging unit" does not include individual guest rooms in a hotel, motel or similar transient lodging establishment operated by an innkeeper, as defined in subdivision (a) of Section 1865 of the California Civil Code.

(J) "Operator" means the owner or the designated agent or representative of the owner who is responsible for compliance with this chapter with respect to the short-term rental unit.

(K) "Owner" means the person(s) or entity(ies) that hold(s) legal and/or equitable

title to the lodging unit.

(L) "Person" means any natural person, joint venture, joint stock company, partnership, association, club, company, corporation, business trust, or organization of any kind.

(M) "Responsible person" means an occupant of a short-term lodging unit who is at least 21 years of age and who is legally responsible for ensuring that all occupants and/or guests of the short-term rental unit comply with all applicable laws, rules and regulations pertaining to the use and occupancy of the subject short-term rental unit.

(N) "Rent" means compensation, money, rent, or other bargained for consideration given in return for occupancy, possession, or use of real property.

(O) "Short-term" means occupancy of a lodging unit for a period of thirty consecutive calendar days or less. "Short-term" shall include the rental of a lodging unit for a period of more than thirty consecutive days to an entity, person or group of persons and said entity, person or group of persons sublets or otherwise makes available the unit to another entity, person or group of persons whereby separate occupancy durations are established for the other entity, person or group of persons for a period of thirty calendar days or less.

25.23.030 Permit Required

(A) Short-term lodging units shall only be allowed within the LB/P, C-N, C-1 and CH-M Zoning Districts, and within the CBD-1, CBD-2, CBD Central Bluffs, CBD Office and CBD Visitor Commercial Districts of the Downtown Specific Plan, subject to the approval of an Administrative Use Permit as provided for in Section 25.05.020 of this title and SLV zoning district subject to approval of a Conditional Use Permit as provided in Section 25.05.030. No owner of a dwelling unit or units located outside of those zoning districts shall rent that unit or units for a short term (30 consecutive days or less).

(B) No owner or tenant of a lodging unit that is restricted by covenant or similar instrument for the purpose of providing affordable housing, senior housing, or housing for the disabled shall rent such unit for the purpose of providing short-term lodging.

(C) A home exchange as defined in Section 25.23.020(D) shall not constitute short-term lodging for the purposes of this Chapter.

(D) Existing residential units that are currently non-conforming to any density or development standard within the underlying zoning district of the subject property shall be permitted to convert to short-term lodging subject to the approval of an Administrative Use Permit or Conditional Use Permit.

(E) The following information shall be included with the completed application form:

(1) The name, address and telephone number of the owner of the subject short-term lodging unit;

(2) The name, address and telephone number of the operator;

(3) The name, address and telephone number (available 24/7) of the local contact person that will be available to physically be able, if necessary, to respond within 60 minutes of notification of a problem resulting from the short-term lodging unit;

(4) The address of the proposed short-term lodging unit;

- (5) The days of the week, weeks of the month and/or months of the year that the proposed short-term lodging unit will be available for rent on a short-term basis, and the minimum length of stay that the short-term rental will be advertised;
- (6) The number of bedrooms and the applicable overnight and daytime occupancy of the proposed short-term lodging unit;
- (7) The number of parking spaces located on site;
- (8) A site plan and floor plan, drawn to scale depicting the site layout, trash storage area that must be concealed from public view, parking area and a floor plan of the entire unit/rooms to be rented for short-term lodging purposes;
- (9) Acknowledgement of receipt and inspection of the Good Neighbor brochure;
- (10) Evidence that the residence/premises passed a safety inspection conducted by the Laguna Beach Fire Department;
- (11) Evidence that the use of the property is eligible for liability insurance (homeowners or rental property insurance) in the amount of not less than \$500,000.00 to cover injuries, damages, losses and other claims associated with the short-term lodging;
- (12) An estimate of the daily rental fee that will be charged for occupancy of the unit(s);
- (13) An application fee established by resolution of the City Council.
- (14) One set of public notification materials prepared by a qualified and independent vendor as instructed more fully in the "City of Laguna Beach Community Development Department Public Notice Package Requirements."

25.23.040 Conditions

All Administrative Use Permits or Conditional Use Permits (if located in the SLV Zoning District) issued pursuant to this Chapter shall be subject to the following standard conditions. As a result of issues identified during the Administrative Use Permit or Conditional Use Permit review process, other conditions may be imposed to ensure that the proposed use does not adversely affect the health, safety and general welfare of the occupants of adjacent property and the neighborhood. Failure to comply with any of the imposed conditions may be grounds for possible revocation of the Administrative Use Permit or Conditional Use Permit for short-term lodging as provided for in Section 25.05.075.

(A) Overnight occupancy of short-term lodging unit(s) shall be limited to a maximum of two persons per bedroom. Additional daytime guests are allowed between the hours of 7:00 a.m. and 10:00 p.m. with the maximum daytime guests not to exceed two persons per bedroom with a maximum of 20 guests allowed for five bedrooms or more. The following table illustrates the maximum number of occupants:

Number of Bedrooms	Total Overnight Occupants	Total Daytime Occupants (Including Number of Overnight Occupants)
0-Studio	2	4
1	2	4
2	4	8
3	6	12
4	8	16
5	10	20
6	12	20
7	14	20

(B) Each newly constructed short-term lodging unit must provide the minimum off-street parking spaces per the applicable use of “Dwelling, single-family or two-family”, or “Dwelling, multi-family” as set forth in Section 25.52.012(G). Existing residential units that are proposed to be converted to short-term lodging units and are currently non-conforming in regard to the number of required off-street parking spaces shall be permitted to convert to short-term lodging provided the same number of non-conforming off-street parking spaces continues to be provided. Existing residential units that are proposed to be converted to short-term lodging units but currently have no existing off-street parking shall be considered non-conforming and may be converted to short-term lodging units without providing additional parking. The maximum number of vehicles permitted to park at the short-term lodging unit is limited to the number of on-site parking spaces provided for the short-term lodging unit. No vehicles of overnight or daytime occupants shall be parked on a street serving residential homes.

(C) Occupants and/or guests of short-term lodging unit(s) shall not create unreasonable noise or disturbances and shall comply with the standards and regulations of the Laguna Beach Noise Ordinance, shall not engage in disorderly conduct or violate provisions of the Laguna Beach Municipal Code or any State law pertaining to noise, collection and disposal of refuse, disorderly conduct, the consumption of alcohol or the use of illegal drugs.

(D) No radio receiver, musical instrument, phonograph, compact disk player, loudspeaker, karaoke machine, sound amplifier or any machine, device or equipment that produces or reproduces any sound shall be played outside of any short-term lodging unit or be audible from the usable area of any adjacent residences between the hours of 10:00 p.m. and 10:00 a.m.

(E) While the short-term lodging unit is rented, the operator shall designate a local contact person that will be available twenty four hours per day, seven days per week for the purpose of responding within 60 minutes to any issues received from either the neighbors of the short-term lodging unit or the responsible person renting the short-term lodging unit.

(F) The operator shall provide the City with the name, address and telephone number of the local contact person. If the local contact person changes or the contact information changes, the operator shall notify the City of the information of the new local contact person within 24 hours.

(G) Trash and refuse shall not be stored within public view, except in proper containers for the purpose of collection by the City’s authorized waste hauler on scheduled trash collection days. The containers shall be placed out for collection by seven a.m. and taken in by six p.m. to minimize interference with public rights-of-way on the scheduled trash collection days. The operator shall use reasonable prudent business practices to ensure compliance with all of the provisions of Chapter 7.16 (Solid Waste Collection and Disposal) of the Laguna Beach Municipal Code and must provide an appropriate number of and type of receptacles.

(H) Onsite advertising signs for the purpose of leasing the short-term lodging unit as a vacation rental are prohibited.

(I) All advertising (print, online, etc.) must include the City business license and Administrative Use Permit or Conditional Use Permit numbers.

(J) Commercial activities and events such as weddings, receptions and/or large parties are prohibited.

(K) Three or more confirmed violations of large or unruly gatherings, as defined in this chapter, will result in an automatic hearing for revocation of the Administrative Use Permit or Conditional Use Permit.

(L) Each approved short-term lodging unit shall display a valid Administrative Use Permit or Conditional Use Permit Resolution in a visible location near the main entrance within the rental unit and the conditions of the permit shall be posted on the exterior of the rental unit, or property if the unit is set back from the street, in plain view of the public. The permit and conditions shall be on 8.5 x 11 inch paper, protected in plastic, with the print no smaller than a 12 font size.

(M) A valid business license issued by the City for the separate business of operating short-term lodging unit(s) shall be obtained prior to renting short-term lodging.

(N) A valid Transient Occupancy Registration Certificate issued by the City for the lodging unit(s) per Chapter 5.05 (Hotel-Motel Room Tax) shall be obtained prior to renting short-term lodging, and the transient occupancy tax shall be paid as required by that chapter. Every Administrative Use Permit or Conditional Use Permit holder for short-term lodging must submit a quarterly return, whether or not the short-term lodging unit was rented during the quarter and/or Transient Occupancy Tax was collected.

(O) Each owner and/or operator of any short-term lodging unit shall keep and provide any records related to the use and occupancy (dates of stay, rent paid, etc.) of the short-term lodging unit to the Director of Finance or his/her designee, at the time that quarterly Transient Occupancy Tax payments are remitted to the City.

(P) The property owner must maintain liability insurance (homeowners or rental property insurance) in the amount of not less than \$500,000.00 to cover injuries, damages, losses and other claims associated with the short-term lodging.

(Q) Notwithstanding any provision of this title to the contrary, and unless otherwise specifically authorized by an Administrative Use Permit or Conditional Use Permit approved pursuant to this chapter, an Administrative Use Permit or Conditional Use Permit for short-term lodging is valid for a maximum of two (2) years from the date of approval of the permit, at which time the permit shall expire and be of no further force and effect unless renewed pursuant to this section. Within three to six months prior to the expiration of the Administrative Use Permit or Conditional Use Permit, the owner may apply for a renewal of the permit, which application shall be processed and acted on in the same manner and be subject to the same requirements as an application for a new permit.

(R) Upon a change in ownership of a short-term lodging unit, or a change of the agent/operator or any material facts set forth in the application for a short-term lodging unit, including an application for renewal of the Administrative Use Permit or Conditional Use Permit as described herein, a new Administrative Use Permit or Conditional Use Permit shall be required to continue operation of the short-term rental property, which the owner shall submit to the City within fourteen days of said change.

(S) An approved Administrative Use Permit or Conditional Use Permit for short-term lodging shall be subject to review if written complaints are received. These reviews may result in a noticed public hearing before the Planning Commission. Following the public hearing on the matter, the Planning Commission may require immediate compliance with conditions of approval, amendment of the conditions of approval or the commencement of proceedings to revoke the Administrative Use Permit or Conditional Use Permit as provided in Section 25.05.075.

25.23.050 Permit does not run with the land.

(A) Notwithstanding any provision of this Title to the contrary and unless expressly provided otherwise by this chapter, an administrative use permit or conditional use permit approved pursuant to this chapter shall not run with the land. The permission to operate short-term lodging shall be personal and limited to the owner of the property to whom the administrative use permit or conditional use permit is issued.

(B) No person shall convey or transfer or attempt to convey or transfer an administrative use permit or conditional use permit for short-term lodging to any other person. Any conveyance or transfer, or attempt to convey or transfer, an administrative use permit in violation of this section shall be void and shall constitute a violation of this code.

(C) No person shall convey or transfer or attempt to convey or transfer an administrative use permit or conditional use permit for short-term lodging from one property to another property. Any conveyance or transfer, or attempt to convey or transfer, an administrative use permit in violation of this section shall be void and shall constitute a violation of this code.

25.23.060 Continuation of legal short-term lodging units in residential zones.

(A) The operation of any legal short-term lodging unit in existence as of the effective date of this ordinance and located within the R-1, R-2, R-3 or VC zoning districts may continue as a legal nonconforming use subject to (1) the requirements set forth below, (2) continuously maintaining a business license for the short-term lodging unit, (3) fully and timely complying with applicable requirements for record-keeping and the collection and remittance of transient occupancy taxes, and (4) complying with all other conditions of the previously approved permit. No new short-term lodging may be established within the R-1, R-2, R-3 or VC zoning districts.

(B) The right to continue the operation of a preexisting legal short-term lodging unit pursuant to the provision of subsection (A) shall run with the land.

(C) The right to continue the operation of a preexisting legal short-term lodging unit under this section shall lapse in the event that the use of the unit for short-term lodging is abandoned or ceases for a period of twelve or more consecutive months.

25.23.065 Continuation of legal short-term lodging units in commercial zones.

(A) The operation of any legal short-term lodging unit in existence as of the effective date of this ordinance and located within the LB/P, C-N, C-1 or CH-M zoning districts or within the CBD-1, CBD-2, CBD Central Bluffs, CBD Office or CBD Commercial districts of the Downtown Specific Plan may continue as a legal conforming use subject to (1) the requirements set forth below, (2) continuously maintaining a business license for the short-term lodging unit, (3) fully and timely complying with applicable requirements for record-keeping and the collection and remittance of transient occupancy taxes, and (4) complying with all other conditions of the previously approved permit. The establishment of new short-term lodging units within those zoning districts shall conform to the provisions of this chapter.

(B) The right to continue the operation of a preexisting legal short-term lodging unit pursuant to the provisions of subsection (A) shall run with the land.

(C) The right to continue the operation of a preexisting legal short-term lodging unit under this section shall lapse in the event that the use of the unit for short-term lodging is

abandoned or ceases for a period of twelve or more consecutive months, and the unit shall not thereafter be reestablished except as provided by this chapter.

25.23.070 Responsibilities of Short-Term Lodging Hosting Platforms.

(A) Hosting platforms shall be responsible for collecting all applicable transient occupancy taxes and remitting the same to the City. The hosting platform shall be considered an agent of the host for purposes of transient occupancy tax collections and remittance responsibilities.

(B) Subject to applicable laws, hosting platforms shall disclose to the City on a regular basis each short-term lodging rental listing located in the City, the names of the persons responsible for each such listing, the address of each such listing, the length of stay for each such listing, and the price paid for each stay.

(C) Hosting platforms shall not complete any booking transaction for any short-term rental unless it is listed on the City's registry of approved short-term lodging units at the time the hosting platform receives a fee for the booking transaction.

25.23.080 Violations.

(A) Additional conditions. In the event a violation of any provision of this chapter by any occupant, owner, hosting platform or operator of a short-term lodging unit, the Director of Community Development or his or her designee may impose additional conditions on the use of the subject short-term lodging unit to ensure that future such violations are avoided. If a second violation occurs, then the Director of Community Development may proceed with the commencement of revocation procedures provided in Section 25.05.075.

(B) Administrative use permit modification, suspension and revocation. A violation of any provision of this chapter by any occupant, owner, hosting platform or operator of a short-term lodging unit shall constitute grounds for modification, suspension or revocation of the subject short-term lodging unit administrative use permit or conditional use permit pursuant to Section 25.05.075 of this code.

(C) Administrative citation. In addition or as an alternative to any other remedy provided by state law or this code, the City may issue an administrative citation to the owner, hosting platform or operator pursuant to chapter 1.15 of this code if there is any violation of this chapter committed, caused or maintained by such person for each day of such violation. In such case, the City shall issue said citation for the first and any additional violations in the amount of \$1,000 per violation.

(D) Any person, including without limitation owners, hosting platforms or operators, violating any of the provisions of this chapter shall be guilty of a misdemeanor. Each day that such a violation occurs shall constitute a separate offense.

(E) Public nuisance. It shall be a public nuisance for any person to commit, cause or maintain a violation of this chapter.

(F) If a permit to operate a short-term lodging unit is revoked, then the owner of the subject property to whom the permit issued must wait a minimum of three (3) years before applying for a new permit to operate short-term lodging.

(G) It shall be a violation of this chapter if any person, including without limitation, owners, hosting platforms or operators, advertises a short-term rental without an approved permit to operate short-term lodging.

SECTION 2. R-1 Residential Low Density Zone - Section 25.10.005 of the Laguna

Beach Municipal Code is hereby amended to read in its entirety as follows:

25.10.005 Uses Permitted Subject to an Administrative Use Permit

The following uses may be permitted subject to the granting of an administrative use permit as provided for in Section 25.05.020:

(A) Family day care home, large, subject to the following standards:

(1) The operator of the facility must be licensed pursuant to Chapter 3.5 or 3.6 of the California Health and Safety Code;

(2) A business license shall be obtained in accordance with Chapter 5.08, Business Licenses;

(3) No signs identifying the day care facility are permitted other than those permitted pursuant to Section 25.54.010;

(4) Parking shall be in compliance with Chapter 25.52;

(5) Hours of operation shall be limited to the hours between seven a.m. and seven p.m.;

(6) Outdoor play for children shall not begin before nine-thirty a.m.;

(7) The facility shall comply with State Fire Marshal fire and life safety standards.

(B) Parking or storage of recreational vehicles (meaning any travel trailer, boat, camper, motor home, van, travel and utility trailer or converted bus) that is more than twenty feet in length and more than six feet in height, subject to the following:

(1) The vehicle shall be owned by the owner of the property or the tenant who is the primary resident of the property.

(2) The outdoor parking of such vehicles shall not be closer than five feet to a property line, shall not be parked in the front or side yards and shall be located on a paved, or any other stable, all-weather surface approved by the director of community development.

(3) The vehicle shall not be connected to electricity, sewer or water.

(4) The vehicle shall not be used, either temporarily or permanently, for sleeping or living purposes.

(5) The vehicle shall not be used for storage of goods, materials or equipment other than those that constitute part of the unit or are essential for its immediate use.

(6) The vehicle shall be in operable condition.

(7) The vehicle shall be effectively screened from a public right-of-way and/or adjacent residences with fencing and/or landscaping to the maximum extent allowed under the zoning regulations.

All vehicles being parked or stored as of the effective date of this subsection and not conforming to the provisions hereof shall within three months after receiving appropriate notice from the community development department, either obtain approval of an administrative use permit or cause the vehicle to be removed from the property.

SECTION 3. R-2 Residential Medium Density Zone - Section 25.12.005 of the

Laguna Beach Municipal Code is hereby amended to read in its entirety as follows:

25.12.005 Uses Permitted Subject to an Administrative Use Permit

The following uses may be permitted subject to the granting of an Administrative Use Permit as provided for in Section 25.05.020:

(A) Family day care home, large, subject to the following standards:

(1) The operator of the facility must be licensed pursuant to Chapter 3.5 or 3.6 of the California Health and Safety Code;

(2) A business license shall be obtained in accordance with Chapter 5.08, Business Licenses;

(3) No signs identifying the day care facility are permitted other than those permitted pursuant to Section 25.54.010;

(4) Parking shall be in compliance with Chapter 25.52;

(5) Hours of operation shall be limited to the hours between seven a.m. and seven p.m.;

(6) Outdoor play for children shall not begin before nine-thirty a.m.;

(7) The facility shall comply with State Fire Marshal fire and life safety standards.

(B) Parking or storage of recreational vehicles (meaning any travel trailer, boat, camper, motor home, van, travel and utility trailer or converted bus) that is more than twenty feet in length and more than six feet in height, subject to the following:

(1) The vehicle shall be owned by the owner of the property or the tenant who is the primary resident of the property.

(2) The outdoor parking of such vehicles shall not be closer than five feet to a property line, shall not be parked in the front or side yards and shall be located on a paved, or any other stable, all-weather surface approved by the director of community development.

(3) The vehicle shall not be connected to electricity, sewer or water.

(4) The vehicle shall not be used, either temporarily or permanently, for sleeping or living purposes.

(5) The vehicle shall not be used for storage of goods, materials or equipment other than those that constitute part of the unit or are essential for its immediate use.

(6) The vehicle shall be in operable condition.

(7) The vehicle shall be effectively screened from a public right-of-way and/or adjacent residences with fencing and/or landscaping to the maximum extent allowed under the zoning regulations.

All vehicles being parked or stored as of the effective date of this subsection and not conforming to the provisions hereof shall within three months after receiving appropriate notice from the community development department, either obtain approval of an administrative use permit or cause the vehicle to be removed from the property.

SECTION 4. R-3 Residential High Density Zone - Section 25.14.005 of the

Laguna Beach Municipal Code is hereby amended to read in its entirety as follows:

25.14.005 Uses Permitted Subject to an Administrative Use Permit

The following uses may be permitted subject to the granting of an Administrative Use Permit as provided for in Section 25.05.020:

(A) Family day care home, large, subject to the following standards:

(1) The operator of the facility must be licensed pursuant to Chapter 3.5 or 3.6 of the California Health and Safety Code;

(2) A business license shall be obtained in accordance with Chapter 5.08, Business Licenses;

(3) No signs identifying the day care facility are permitted other than those permitted pursuant to Section 25.54.010;

(4) Parking shall be in compliance with Chapter 25.52;

(5) Hours of operation shall be limited to the hours between seven a.m. and seven p.m.;

(6) Outdoor play for children shall not begin before nine-thirty a.m.;

(7) The facility shall comply with State Fire Marshal fire and life safety standards.

(B) Parking or storage of recreational vehicles (meaning any travel trailer, boat, camper, motor home, van, travel and utility trailer or converted bus) that is more than twenty feet in length and more than six feet in height, subject to the following:

(1) The vehicle shall be owned by the owner of the property or the tenant who is the primary resident of the property.

(2) The outdoor parking of such vehicles shall not be closer than five feet to a property line, shall not be parked in the front or side yards and shall be located on a paved, or any other stable, all-weather surface approved by the director of community development.

(3) The vehicle shall not be connected to electricity, sewer or water.

(4) The vehicle shall not be used, either temporarily or permanently, for sleeping or living purposes.

(5) The vehicle shall not be used for storage of goods, materials or equipment other than those that constitute part of the unit or are essential for its immediate use.

(6) The vehicle shall be in operable condition.

(7) The vehicle shall be effectively screened from a public right-of-way and/or adjacent residences with fencing and/or landscaping to the maximum extent allowed under the zoning regulations.

All vehicles being parked or stored as of the effective date of the ordinance codified in this subsection and not conforming to the provisions hereof shall within three months after receiving appropriate notice from the community development department, either obtain approval of an administrative use permit or cause the vehicle to be removed from the property.

SECTION 5. Village Community Zone - Section 25.43.030 of the Laguna Beach

Municipal Code is hereby amended to read in its entirety as follows:

25.43.030 Uses Permitted

Uses permitted in the Village area include all uses permitted in the R-1 Zone, subject to the standards of the R-1 Zone, except as modified in this Chapter.

SECTION 6. Administrative Use Permit Procedure – Section 25.05.020(D) and

(E) of the Laguna Beach Municipal Code are hereby amended to read in their entirety as follows:

(D) Public Hearing. No hearing on the application shall be held unless requested by the applicant or other noticed person. In the event a hearing is requested, with the exception of an application for short-term lodging, the department of community development shall set a hearing date before the director of community development and shall notice said hearing pursuant to the provisions of subsection (C) of this section. In the case of a hearing requested for short-term lodging, the department of community development shall set a hearing date before the Planning Commission and shall notice said hearing pursuant to the provisions of subsection (C) of this section.


(E) Approval. With exception of an application where a hearing is requested for short-term lodging, the director of community development or authorized designee shall approve, conditionally approve, or deny an administrative use permit based upon compliance or noncompliance with the city's zoning regulations. In the case of an application for short-term lodging where a hearing is requested, the Planning Commission shall approve, conditionally approve or deny an administrative use permit based upon compliance or noncompliance with the City's zoning regulations. Any decision to approve or conditionally approve an application shall be accompanied by an additional finding that based upon the evidence in the record and conditions of approval, the proposed short-term lodging will have no substantial adverse effect upon abutting properties.

SECTION 7. This Ordinance is exempt from compliance with the California Environmental Quality Act (CEQA) pursuant to Section 15265(c) of the State CEQA Guidelines, because the burden of CEQA compliance is shifted to the California Coastal Commission in connection with preparation or amendment to a Local Coastal Program (LCP) because the Coastal Commission's review and approval procedures have been found to be functionally equivalent to the environmental review process and Section 15305 because the ordinance changes are considered minor changes in land use limitations in that only the use of existing structures would be affected and a Notice of Exemption has been prepared.

SECTION 8. This Ordinance is intended to be of Citywide effect and application. All ordinances and provisions of the Laguna Beach Municipal Code and Sections thereof inconsistent herewith shall be hereby repealed to the extent of such inconsistency and no further.

SECTION 9. The City Clerk of the City of Laguna Beach shall certify to the passage and adoption of this Ordinance and shall cause the same to be published in the same manner required by law in the City of Laguna Beach. This Ordinance shall become effective upon the certification of Local Coastal Program Amendment 15-2254 by the California Coastal Commission.

ADOPTED this 4th day of June, 2019.



Mayor

ATTEST:



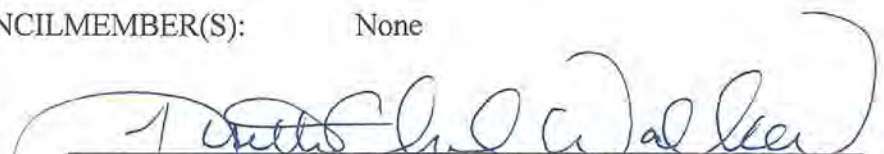
Lisette Chel-Walker, City Clerk

I, Lisette Chel-Walker, City Clerk of the City of Laguna Beach, do hereby certify that the foregoing Ordinance was introduced at a regular meeting of the City Council on April 23, 2019, and was finally adopted at a regular meeting of the City Council of said City held on June 4, 2019 by the following vote:

AYES: COUNCILMEMBER(S): Iseman, Kempf, Whalen

NOES: COUNCILMEMBER(S): Blake, Dictierow

ABSENT: COUNCILMEMBER(S): None



City Clerk of the City of Laguna Beach, CA

City proposed changes to provisions in Chapters 25.05, 25.10, 25.12, 25.14, 25.23, and 25.43 of Title 15 of the certified LCP (Strikethrough-Insert Version)

City additions are underlined.

City deletions are struckthrough.

Chapter 25.23
SHORT-TERM LODGING

Sections:

25.23.010 Purpose and Findings~~✓~~

25.23.020 Definitions~~✓~~

25.23.030 Permit Required ~~Administrative use permit or conditional use permit.~~

25.23.040 Conditions~~✓~~

25.23.050 Permit does not run with the land ~~Amortization.~~

25.23.060 Continuation of legal short-term lodging units in residential zones

25.23.065 Continuation of legal short-term lodging units in commercial zones

25.23.070 Responsibilities of Short-Term Lodging Hosting Platforms

25.23.080 Violations

25.23.010 Purpose and Findings~~✓~~

The City Council of the City of Laguna Beach finds and declares as follows:

(A) Visitors~~Tourists~~, who rent short-term lodging units, can escalate the demand for City services and create adverse impacts in zoning districts that allow residential uses.

(B) Short-term lodging units are considered a commercial use, which are not permitted in residentially-zoned properties.

(C) Short-term lodging units can be associated with the depletion of the City's limited supply of multiple-family residential units.

(~~D~~B) Incidents involving excessive noise, disorderly conduct, vandalism, overcrowding, traffic congestion, illegal vehicle parking and accumulation of refuse can be associated with directly related to short-term lodging units, which require response from police, fire, paramedic and other City services and can escalate the demand for such services.

(~~E~~C) Agents and/or absentee owners operate many short-term lodgings.

(~~F~~D) The restrictions of this Chapter are necessary to prevent the burden on City services and adverse impacts on residential neighborhoods posed by short-term lodgings and to preserve the City's existing rental housing stock consistent with the adopted General Plan.

25.23.020 Definitions~~✓~~

For the purpose of this Chapter, the following definitions shall apply:

(A) “Booking Transaction” means any reservation or payment service provided by a person who facilitates a short-term rental transaction between a prospective transient user and an owner or operator.

(BA) “District” means the zones of the City designated by this Title.

(C) “Good neighbor brochure” means a document prepared by the City that summarizes the general rules of conduct, consideration, and respect including, but not limited to, the provisions of the City of Laguna Beach Municipal Code and other applicable laws, rules or regulations pertaining to the use and occupancy of the short-term lodging units.

(D) “Home exchange” means the simultaneous exchange of homes by one owner with another owner in a different city for short periods of time, for not less than one week and not more than two times in total per calendar year, by written agreement between both parties to exchange homes without any exchange of compensation or other consideration.

(E) “Home sharing” is a form of short-term lodging subject to the provisions of this Chapter and means a rental in a residential unit for 30 consecutive days or less during which the host lives on-site for the entirety of the visitor’s stay and the visitor enjoys the non-in-kind trade or exchange agreement between the property owner or designated resident host and the boarder, lodger or visitor.

(F) “Hosting Platform” means a person who participates in the short-term lodging rental business by collecting or receiving a fee, directly or indirectly through an agent or intermediary, for conducting a booking transaction using any medium of facilitation.

(G) “Large or unruly gathering” means a gathering of persons for social occasion that results in a public nuisance or threat to the public health, safety or general welfare or quiet enjoyment of residential property or nearby public property.

(H) “Local contact person” means the person designated by the owner or the owner’s authorized agent or representative who shall be available twenty-four hours per day, seven days per week for the purpose of: (1) responding within sixty minutes to complaints regarding the condition, operation, or conduct of occupants of the short-term lodging unit; and (2) taking remedial action to resolve any such complaints.

(IB) “Lodging unit” or “Residential Unit” means the same as a “dwelling unit,” which is a room or suite of rooms with a single kitchen used for the residential use and occupancy of one family, including a single-family residence, an apartment or other leased premises, a residential condominium unit or any other residential real estate improvement that is located in a zoning district within which short-term lodging is allowed pursuant to this chapter and which is rented to person(s) other than the owner. “Lodging unit” does not include individual guest rooms in a hotel, motel or similar transient lodging establishment operated by an innkeeper, as defined in subdivision (a) of Section 1865 of the California Civil Code. (The density standards applicable to short-term lodging units shall be no greater than the density otherwise allowed in the underlying zone.)

(J) “Operator” means the owner or the designated agent or representative of the owner who is responsible for compliance with this chapter with respect to the short-term rental unit.

(K) “Owner” means the person(s) or entity(ies) that hold(s) legal and/or equitable title to the lodging unit.

(L) “Person” means any natural person, joint venture, joint stock company, partnership, association, club, company, corporation, business trust, or organization of any kind.

(M) “Responsible person” means an occupant of a short-term lodging unit who is at least 21 years of age and who is legally responsible for ensuring that all occupants and/or guests of the short-term rental unit comply with all applicable laws, rules and regulations pertaining to the use and occupancy of the subject short-term rental unit.

(N) “Rent” means compensation, money, rent, or other bargained for consideration given in return for occupancy, possession, or use of real property.

(O) “Short-term” means occupancy of a lodging unit for a period of thirty consecutive calendar days or less. “Short-term” shall include the rental of a lodging unit for a period of more than thirty consecutive days to an entity, person or group of persons and said entity, person or group of persons sublets or otherwise makes available the unit to another entity, person or group of persons whereby separate occupancy durations are established for the other entity, person or group of persons for a period of thirty calendar days or less.

25.23.030 Permit Required ~~Administrative use permit or conditional use permit.~~

(A) Short-term lodging units shall only be allowed within the ~~R-1, R-2, R-3, LB/P, C-N, C-1, and CH-M, and VC Z~~ zoning ~~D~~districts, and within the CBD-1, CBD-2, CBD Central Bluffs, CBD Office and CBD Visitor Commercial Districts of the Downtown Specific Plan, subject to the approval of an ~~A~~administrative ~~U~~use ~~P~~permit as provided for in Section 25.05.020 of this title and SLV zoning district subject to ~~the~~ approval of a Conditional Use Permit~~CUP~~ as provided in Section 25.05.030, ~~issued pursuant to this chapter.~~ No owner of a dwelling unit or units located outside of those zoning districts shall rent that unit or units for a short-term (30 consecutive days or less)~~without a valid administrative use permit or conditional use permit, as applicable, issued pursuant to this chapter.~~

(B) No owner or tenant of a lodging unit that is restricted by covenant or similar instrument for the purpose of providing affordable housing, senior housing, or housing for the disabled shall rent such unit for the purpose of providing short-term lodging.

(C) A home exchange as defined in Section 25.23.020(D) shall not constitute short-term lodging for the purposes of this Chapter.

(D) Existing residential units that are currently non-conforming to any density or development standard within the underlying zoning district of the subject property shall be permitted to convert to short-term lodging subject to the approval of an Administrative Use Permit or Conditional Use Permit.

(E) The following information shall be included with the completed application form:

(1) The name, address and telephone number of the owner of the subject short-term lodging unit;

(2) The name, address and telephone number of the operator;

- (3) The name, address and telephone number (available 24/7) of the local contact person that will be available to physically be able, if necessary, to respond within 60 minutes of notification of a problem resulting from the short-term lodging unit;
- (4) The address of the proposed short-term lodging unit;
- (5) The days of the week, weeks of the month and/or months of the year that the proposed short-term lodging unit will be available for rent on a short-term basis, and the minimum length of stay that the short-term rental will be advertised;
- (6) The number of bedrooms and the applicable overnight and daytime occupancy of the proposed short-term lodging unit;
- (7) The number of parking spaces located on site;
- (8) A site plan and floor plan, drawn to scale depicting the site layout, trash storage area that must be concealed from public view, parking area and a floor plan of the entire unit/rooms to be rented for short-term lodging purposes;
- (9) Acknowledgement of receipt and inspection of the Good Neighbor brochure;
- (10) Evidence that the residence/premises passed a safety inspection conducted by the Laguna Beach Fire Department;
- (11) Evidence that the use of the property is eligible for liability insurance (homeowners or rental property insurance) in the amount of not less than \$500,000.00 to cover injuries, damages, losses and other claims associated with the short-term lodging;
- (12) An estimate of the daily rental fee that will be charged for occupancy of the unit(s);
- (13) An application fee established by resolution of the City Council;
- (14) One set of public notification materials prepared by a qualified and independent vendor as instructed more fully in the "City of Laguna Beach Community Development Department Public Notice Package Requirements."

25.23.040 Conditions.

All Administrative Use Permits or Conditional Use Permits (if located in the SLV Zoning District) issued pursuant to this Chapter shall be subject to the following standard conditions. As a result of issues identified during the Administrative Use Permit or Conditional Use Permit review process, other conditions may be imposed to ensure that the proposed use does not adversely affect the health, safety and general welfare of the occupants of adjacent property and the neighborhood. Failure to comply with any of the imposed conditions may be grounds for possible revocation of the Administrative Use Permit or Conditional Use Permit for short-term lodging as provided for in Section 25.05.075.

- (A) Overnight occupancy of short-term lodging unit(s) shall be limited to a maximum of two persons per bedroom. Additional daytime guests are allowed between the hours of 7:00 a.m. and 10:00 p.m. with the maximum daytime guests not to exceed two persons per bedroom with a maximum of 20 guests allowed for five bedrooms or more. The following table illustrates the maximum number of occupants:~~specific number of occupants, and the number of occupants shall not exceed that permitted by the provisions of Titles 14 (Building and Construction) and 15 (Fire) of the Laguna Beach Municipal code;~~

Number of Bedrooms	Total Overnight Occupants	Total Daytime Occupants (Including Number of Overnight Occupants)
0-Studio	2	4
1	2	4
2	4	8
3	6	12
4	8	16
5	10	20
6	12	20
7	14	20

(B) Each newly constructed short-term lodging unit must provide the minimum off-street parking spaces per the applicable use of “Dwelling, single-family or two-family”, or “Dwelling, multi-family” as set forth in Section 25.52.012(G). Existing residential units that are proposed to be converted to short-term lodging units and are currently non-conforming in regard to the number of required off-street parking spaces shall be permitted to convert to short-term lodging provided the same number of non-conforming off-street parking spaces continues to be provided. Existing residential units that are proposed to be converted to short-term lodging units but currently have no existing off-street parking shall be considered non-conforming and may be converted to short-term lodging units without providing additional parking. The maximum number of vehicles permitted to park at the short-term lodging unit is limited to the number of on-site parking spaces provided for the short-term lodging unit. No vehicles of overnight or daytime occupants shall be parked on a street serving residential homes.

(~~C~~B) Occupants and/or guests of short-term lodging unit(s) shall not create unreasonable noise or disturbances and shall comply with the standards and regulations of the Laguna Beach Noise Ordinance, shall not engage in disorderly conduct or violate provisions of the Laguna Beach Municipal Code or any State law pertaining to noise, collection and disposal of refuse, disorderly conduct, the consumption of alcohol or the use of illegal drugs.

(D) No radio receiver, musical instrument, phonograph, compact disc player, loudspeaker, karaoke machine, sound amplifier or any machine, device or equipment that produces or reproduces any sound shall be played outside of any short-term lodging unit or be audible from the useable area of any adjacent residences between the hours of 10:00 p.m. and 10:00 a.m.

(E) While the short-term lodging unit is rented, the operator shall designate a local contact person that will be available twenty four hours per day, seven days per week for the purpose of responding within 60 minutes to any issues received from either the neighbors of the short-term lodging unit or the responsible person renting the short-term lodging unit.

(F) The operator shall provide the City with the name, address and telephone number of the local contact person. If the local contact person changes or the contact information changes, the operator shall notify the City of the information of the new local contact person within 24 hours.

(G) Trash and refuse shall not be stored within public view, except in proper containers for the purpose of collection by the City's authorized waste hauler on scheduled trash collection days. The containers shall be placed out for collection by seven a.m. and taken in by six p.m. to minimize interference with public rights-of-way on the scheduled trash collection days. The operator shall use reasonable prudent business practices to ensure compliance with all of the provisions of Chapter 7.16 (Solid Waste Collection and Disposal) of the Laguna Beach Municipal Code and must provide an appropriate number of and type of receptacles.

(H) Onsite advertising signs for the purpose of leasing the short-term lodging unit as a vacation rental are prohibited.

(I) All advertising (print, online, etc.) must include the City business license and Administrative Use Permit or Conditional Use Permit numbers.

(J) Commercial activities and events such as weddings, receptions and/or large parties are prohibited.

(K) Three or more confirmed violations of large or unruly gatherings, as defined in this chapter, will result in an automatic hearing for revocation of the Administrative Use Permit or Conditional Use Permit.

(L) Each approved short-term lodging unit shall display a valid Administrative Use Permit or Conditional Use Permit Resolution in a visible location near the main entrance within the rental unit and the conditions of the permit shall be posted on the exterior of the rental unit, or property if the unit is set back from the street, in plain view of the public. The permit and conditions shall be on 8.5 x 11 inch paper, protected in plastic, with the print no smaller than a 12 font size.

(M) A valid business license issued by the City for the separate business of operating short-term lodging unit(s) shall be obtained prior to renting short-term lodging.~~and~~

(N) A valid Transient Occupancy Registration Certificate issued by the City for the lodging unit(s) per Chapter 5.05 (Hotel-Motel Room Tax) shall be obtained prior to renting short-term lodging, and the transient occupancy tax shall be paid as required by that Chapter.~~Every Administrative Use Permit or Conditional Use Permit holder for short-term lodging must submit a quarterly return, whether or not the short-term lodging unit was rented during the quarter and/or Transient Occupancy Tax was collected.~~

(O) Each owner and/or operator of any short-term lodging unit shall keep and provide any records related to the use and occupancy (dates of stay, rent paid, etc.) of the short-term lodging unit to the Director of Finance or his/her designee, at the time that quarterly Transient Occupancy Tax payments are remitted to the City.

(P) The property owner must maintain liability insurance (homeowners or rental property insurance) in the amount of not less than \$500,000.00 to cover injuries, damages, losses and other claims associated with the short-term lodging.

(Q) Notwithstanding any provision of this title to the contrary, and unless otherwise specifically authorized by an Administrative Use Permit or Conditional Use Permit approved pursuant to this chapter, an Administrative Use Permit or Conditional Use Permit for short-term lodging is valid for a maximum of two (2) years from the date of approval of

the permit, at which time the permit shall expire and be of no further force and effect unless renewed pursuant to this section. Within three to six months prior to the expiration of the Administrative Use Permit or Conditional Use Permit, the owner may apply for a renewal of the permit, which application shall be processed and acted on in the same manner and be subject to the same requirements as an application for a new permit.

(R) Upon a change in ownership of a short-term lodging unit, or a change of the agent/operator or any material facts set forth in the application for a short-term lodging unit, including an application for renewal of the Administrative Use Permit or Conditional Use Permit as described herein, a new Administrative Use Permit or Conditional Use Permit shall be required to continue operation of the short-term rental property, which the owner shall submit to the City within fourteen days of said change.

(S) An approved Administrative Use Permit or Conditional Use Permit for short-term lodging shall be subject to review if written complaints are received. These reviews may result in a noticed public hearing before the Planning Commission. Following the public hearing on the matter, the Planning Commission may require immediate compliance with conditions of approval, amendment of the conditions of approval or the commencement of proceedings to revoke the Administrative Use Permit or Conditional Use Permit as provided in Section 25.05.075.

25.23.050 Permit does not run with the land.~~Amortization.~~

(A) Notwithstanding any provision of this Title to the contrary and unless expressly provided otherwise by this chapter, an administrative use permit or conditional use permit approved pursuant to this chapter shall not run with the land. The permission to operate short-term lodging shall be personal and limited to the owner of the property to whom the administrative use permit or conditional use permit is issued.

(B) No person shall convey or transfer or attempt to convey or transfer an administrative use permit or conditional use permit for short-term lodging to any other person. Any conveyance or transfer, or attempt to convey or transfer, an administrative use permit in violation of this section shall be void and shall constitute a violation of this code.

(C) No person shall convey or transfer or attempt to convey or transfer an administrative use permit or conditional use permit for short-term lodging from one property to another property. Any conveyance or transfer, or attempt to convey or transfer, an administrative use permit in violation of this section shall be void and shall constitute a violation of this code.~~—————The operation of any legal, nonconforming short-term lodging unit(s) in existence as of the effective date of this ordinance shall cease and be discontinued within two years from the effective date of the ordinance unless the owner(s) of such units obtain an Administrative Use Permit in accordance with the provisions of this title. This section does not in any way preclude the requirements of Chapter 5.05, which requires the collection of a transient occupancy tax for any person renting a space in a hotel (as defined in Section 5.05.020 of this code) containing three or more units for thirty consecutive calendar days or less.~~

25.23.060 Continuation of legal short-term lodging units in residential zones.

(A) The operation of any legal short-term lodging unit in existence as of the effective date of this ordinance and located within the R-1, R-2, R-3 or VC zoning districts may continue as a legal nonconforming use subject to (1) the requirements set forth below, (2) continuously maintaining a business license for the short-term lodging unit, (3) fully and timely complying with applicable requirements for record-keeping and the collection and remittance of transient occupancy taxes, and (4) complying with all other conditions of the previously approved permit. No new short-term lodging may be established within the R-1, R-2, R-3 or VC zoning districts.

(B) The right to continue the operation of a preexisting legal short-term lodging unit pursuant to the provision of subsection (A) shall run with the land.

(C) The right to continue the operation of a preexisting legal short-term lodging unit under this section shall lapse in the event that the use of the unit for short-term lodging is abandoned or ceases for a period of twelve or more consecutive months.

25.23.065 Continuation of legal short-term lodging units in commercial zones.

(A) The operation of any legal short-term lodging unit in existence as of the effective date of this ordinance and located within the LB/P, C-N, C-1 or CH-M zoning districts or within the CBD-1, CBD-2, CBD Central Bluffs, CBD Office or CBD Commercial districts of the Downtown Specific Plan may continue as a legal conforming use subject to (1) the requirements set forth below, (2) continuously maintaining a business license for the short-term lodging unit, (3) fully and timely complying with applicable requirements for record-keeping and the collection and remittance of transient occupancy taxes, and (4) complying with all other conditions of the previously approved permit. The establishment of new short-term lodging units within these zoning districts shall conform to the provisions of this chapter.

(B) The right to continue the operation of a preexisting legal short-term lodging unit pursuant to the provisions of subsection (A) shall run with the land.

(C) The right to continue the operation of a preexisting legal short-term lodging unit under this section shall lapse in the event that the use of the unit for short-term lodging is abandoned or ceases for a period of twelve or more consecutive months, and the unit shall not thereafter be reestablished except as provided by this chapter.

25.23.070 Responsibilities of Short-Term Lodging Hosting Platforms.

(A) Hosting platforms shall be responsible for collecting all applicable transient occupancy taxes and remitting the same to the City. The hosting platform shall be considered an agent of the host for purposes of transient occupancy tax collections and remittance responsibilities.

(B) Subject to applicable laws, hosting platforms shall disclose to the City on a regular basis each short-term lodging rental listing located in the City, the names of the persons responsible for each such listing, the address of each such listing, the length of stay for each such listing, and the price paid for each stay.

(C) Hosting platforms shall not complete any booking transaction for any short-term rental unless it is listed on the City's registry of approved short-term lodging units at the time the hosting platform receives a fee for the booking transaction.

25.23.080 Violations.

(A) Additional conditions. In the event a violation of any provision of this chapter by any occupant, owner, hosting platform or operator of a short-term lodging unit, the Director of Community Development of his or her designee may impose additional conditions on the use of the subject short-term lodging unit to ensure that future such violations are avoided. If a second violation occurs, then the Director of Community Development may proceed with the commencement of revocation procedures provided in Section 25.05.075.

(B) Administrative use permit modification, suspension and revocation. A violation of any provision of this chapter by any occupant, owner, hosting platform or operator of a short-term lodging unit shall constitute grounds for modification, suspension or revocation of the subject short-term lodging unit administrative use permit or conditional use permit pursuant to Section 25.05.075 of this code.

(C) Administrative citation. In addition or as an alternative to any other remedy provided by state law or this code, the City may issue an administrative citation to the owner, hosting platform or operator pursuant to chapter 1.15 of this code if there is any violation of this chapter committed, caused or maintained by such person for each day of such violation. In such case, the City shall issue said citation for the first and any additional violations in the amount of \$1,000 per violation.

(D) Any person, including without limitation owners, hosting platforms or operators, violating any of the provisions of this chapter shall be guilty of a misdemeanor. Each day that such a violation occurs shall constitute a separate offense.

(E) Public nuisance. It shall be a public nuisance for any person to commit, cause or maintain a violation of this chapter.

(F) If a permit to operate a short-term lodging unit is revoked, then the owner of the subject property to whom the permit was issued must wait a minimum of three (3) years before applying for a new permit to operate short-term lodging.

(G) .It shall be a violation of this chapter if any person, including without limitation, owners, hosting platforms or operators, advertises a short-term lodging rental without an approved permit to operate short-term lodging.

25.10.005 Uses Permitted Subject to an Administrative Use Permit.

The following uses may be permitted subject to the granting of an administrative use permit as provided for in Section 25.05.020:-

- (A) Family day care home, large, subject to the following standards:
 - (1) The operator of the facility must be licensed pursuant to Chapter 3.5 or 3.6 of the CaliforniaState Health and Safety Code;
 - (2) A business license shall be obtained in accordance with Chapter 5.08, Business Licenses;

- (3) No signs identifying the day care facility are permitted other than those permitted pursuant to Section 25.54.010;
 - (4) Parking shall be in compliance with Chapter 25.52;
 - (5) Hours of operation shall be limited to the hours between seven a.m. and seven p.m.;
 - (6) Outdoor play for children shall not begin before nine-thirty a.m.;
 - (7) The facility shall comply with State Fire Marshal fire and life safety standards.
- (B) Parking or storage of recreational vehicles (meaning any travel trailer, boat, camper, motor home, van, travel and utility trailer or converted bus) that is more than twenty feet in length and more than six feet in height, subject to the following:
- (1) The vehicle shall be owned by the owner of the property or the tenant who is the primary resident of the property.
 - (2) The outdoor parking of such vehicles shall not be closer than five feet to a property line, shall not be parked in the front or side yards and shall be located on a paved, or any other stable, all-weather surface approved by the director of community development.
 - (3) The vehicle shall not be connected to electricity, sewer or water.
 - (4) The vehicle shall not be used, either temporarily or permanently, for sleeping or living purposes.
 - (5) The vehicle shall not be used for storage of goods, materials or equipment other than those that constitute part of the unit or are essential for its immediate use.
 - (6) The vehicle shall be in operable condition.
 - (7) The vehicle shall be effectively screened from a public right-of-way and/or adjacent residences with fencing and/or landscaping to the maximum extent allowed under the zoning regulations.

All vehicles being parked or stored as of the effective date of this subsection and not conforming to the provisions hereof shall within three months after receiving appropriate notice from the community development department, either obtain approval of an administrative use permit or cause the vehicle to be removed from the property.

~~(C) Short term lodging as defined and specified in Chapter 25.23 of this title.~~

25.12.005 Uses ~~P~~ermitted ~~S~~ubject to an ~~A~~administrative ~~U~~se ~~P~~ermit.

The following uses may be permitted subject to the granting of an ~~A~~administrative ~~U~~se ~~P~~ermit as provided for in Section 25.05.020 ~~of this title~~:

- (A) Family day care home, large, subject to the following standards:

- (1) The operator of the facility must be licensed pursuant to Chapter 3.5 or 3.6 of the ~~California~~State Health and Safety Code;
- (2) A business license shall be obtained in accordance with Chapter 5.08 ~~of this code~~, Business Licenses;
- (3) No signs identifying the day care facility are permitted other than those permitted pursuant to Section 25.54.010 ~~of this title~~;
- (4) Parking shall be in compliance with Chapter 25.52 ~~of this title~~;
- (5) Hours of operation shall be limited to the hours between seven a.m. and seven p.m.;
- (6) Outdoor play for children shall not begin before nine-thirty a.m.;
- (7) The facility shall comply with State Fire Marshal fire and life safety standards.

~~(B) Short term lodging as defined and specified in Chapter 25.23 of this title.~~

~~(BE)~~ Parking or storage of recreational vehicles (meaning any travel trailer, boat, camper, motor home, van, travel and utility trailer or converted bus) that is more than twenty feet in length and more than six feet in height, subject to the following:

- (1) The vehicle shall be owned by the owner of the property or the tenant who is the primary resident of the property.
- (2) The outdoor parking of such vehicles shall not be closer than five feet to a property line, shall not be parked in the front or side yards and shall be located on a paved, or any other stable, all-weather surface approved by the director of community development.
- (3) The vehicle shall not be connected to electricity, sewer or water.
- (4) The vehicle shall not be used, either temporarily or permanently, for sleeping or living purposes.
- (5) The vehicle shall not be used for storage of goods, materials or equipment other than those that constitute part of the unit or are essential for its immediate use.
- (6) The vehicle shall be in operable condition.
- (7) The vehicle shall be effectively screened from a public right-of-way and/or adjacent residences with fencing and/or landscaping to the maximum extent allowed under the zoning regulations.

All vehicles being parked or stored as of the effective date of this subsection and not conforming to the provisions hereof shall within three months after receiving appropriate notice from the community development department, either obtain approval of an administrative use permit or cause the vehicle to be removed from the property.

25.14.005 Uses ~~P~~ermitted ~~S~~ubject to an ~~A~~administrative ~~U~~se ~~P~~ermit.

The following uses may be permitted subject to the granting of an ~~Administrative Use Permit~~ as provided for in Section 25.05.020 ~~of this title~~:

- (A) Family day care home, large, subject to the following standards:
- (1) The operator of the facility must be licensed pursuant to Chapter 3.5 or 3.6 of the ~~California State~~ Health and Safety Code;
 - (2) A business license shall be obtained in accordance with Chapter 5.08 ~~of this code~~, Business Licenses;
 - (3) No signs identifying the day care facility are permitted other than those permitted pursuant to Section 25.54.010 ~~of this title~~;
 - (4) Parking shall be in compliance with Chapter 25.52 ~~of this title~~;
 - (5) Hours of operation shall be limited to the hours between seven a.m. and seven p.m.;
 - (6) Outdoor play for children shall not begin before nine-thirty a.m.;
 - (7) The facility shall comply with State Fire Marshal fire and life safety standards.

~~(B) — Short term lodging as defined and specified in Chapter 25.23 of this title.~~

~~(BC)~~ Parking or storage of recreational vehicles (meaning any travel trailer, boat, camper, motor home, van, travel and utility trailer or converted bus) that is more than twenty feet in length and more than six feet in height, subject to the following:

- (1) The vehicle shall be owned by the owner of the property or the tenant who is the primary resident of the property. ~~;~~
- (2) The outdoor parking of such vehicles shall not be closer than five feet to a property line, shall not be parked in the front or side yards and shall be located on a paved, or any other stable, all-weather surface approved by the director of community development. ~~;~~
- (3) The vehicle shall not be connected to electricity, sewer or water. ~~;~~
- (4) The vehicle shall not be used, either temporarily or permanently, for sleeping or living purposes. ~~;~~
- (5) The vehicle shall not be used for storage of goods, materials or equipment other than those that constitute part of the unit or are essential for its immediate use. ~~;~~
- (6) The vehicle shall be in operable condition. ~~;~~
- (7) The vehicle shall be effectively screened from a public right-of-way and/or adjacent residences with fencing and/or landscaping to the maximum extent allowed under the zoning regulations.

All vehicles being parked or stored as of the effective date of the ordinance codified in this subsection and not conforming to the provisions hereof shall within three months after receiving appropriate notice from the community development department, either obtain approval of an administrative use permit or cause the vehicle to be removed from the property.

25.43.030 Uses ~~P~~permitted.

Uses permitted in the Village area include all uses permitted in the R-1 ~~Z~~zone, subject to the standards of the R-1 ~~Z~~zone, except as modified in this ~~C~~chapter. ~~Short-term lodging, as defined and specified in Chapter 25.23, may be permitted subject to the granting of an Administrative Use Permit as provided for in Section 25.05.020 of this title.~~

*In Section 25.05.020, the City is proposing changes to Subsections (D) & (E) only:

Section 25.05.020 Administrative Use Permit Procedures

...

(D) Public Hearing. No hearing on the application shall be held unless requested by the applicant or other noticed person. In the event a hearing is requested, with the exception of an application for short-term lodging, the department of community development shall set a hearing date before the director of community development and shall notice said hearing pursuant to the provisions of subsection (C) of this section. In the case of a hearing requested for short-term lodging, the department of community development shall set a hearing date before the Planning Commission and shall notice said hearing pursuant to the provisions of subsection (C) of this section.

(E) Approval. With exception of an application where a hearing is requested for short-term lodging, tThe director of community development or authorized designee shall approve, conditionally approve, or deny an administrative use permit based upon compliance or noncompliance with the city's zoning regulations. In the case of an application for short-term lodging where a hearing is requested, the Planning Commission shall approve, conditionally approve or deny an administrative use permit based upon compliance or noncompliance with the City's zoning regulations. Any decision to approve or conditionally approve an application shall be accompanied by an additional finding that based upon the evidence in the record and conditions of approval, the proposed short-term lodging will have no substantial adverse effect upon abutting properties.

...



MEMORANDUM

DATE: September 16, 2020

TO: Marlene Alvarado, Coastal Program Analyst

FROM: Marc Wiener, Director of Community Development

SUBJECT: Short-Term Lodging Program Modifications

This memo summarizes the modifications made to the City's Short-Term Lodging (STL) Program and is consistent with our recent meeting and discussion on the matter:

1. Continue with the proposed prohibition of STL in the R-1, R-2, and R-3 districts, but allow in all commercial and mixed-use districts, including in the Downtown Specific Plan area. Current permits that were approved prior to the pending LCP Amendment would continue to be grandfathered and run with the land. The current number of permitted units is 117, of which 79 are in residential and 38 are in commercial zoning districts.
2. There are 772 dwelling units in the commercial and mixed-use districts. To protect the long-term rental housing stock, we propose a cap that would allow no more than 20% of the total number of units in the commercial and mixed-use districts to be converted to STLs, with a maximum number of 300 total units allowed City-wide. The 300 allowed units would include those already permitted prior to certification of the pending LCP Amendment, the majority of which are in the residential districts.
3. Of the 772 total dwelling units in the commercial and mixed-use districts, there are 240 single-family dwellings, 80 duplexes and 15 triplexes. We proposal to allow an additional 165 home share units within these housing types, located within the commercial and mixed-use districts where STL is permitted. These additional 165 units would be separate from the City-wide cap of 300. Additionally, the City will promote home share units by waiving the Administrative Use Permit fees.
4. The regulations noted in bullet points 2 and 3, including the 20% cap and maximum cap of 300 (for non-home sharing), and allowance of an additional 165 home share units, would allow a maximum of 465 STL units to be achieved. Prior research on the number of active STL units in the City (permitted and unpermitted) is approximately 380. The allowance of 465 units would surpass the estimated demand. It is worth noting that the City has over approximately 1,305 hotel units and

is currently processing an application for a new hotel that would add approximately 70 more units to the hotel stock. We feel that the proposed regulations, including the caps, would achieve a balance of protecting the housing stock while also ensuring that we provide a wide range of visitor accommodations.

5. To avoid wholesale conversion of existing or proposed housing complexes into STL units, we propose that properties with five or fewer units may only convert a maximum of one unit into an STL unit. Properties with five or more units may only convert a maximum of 20% of the total number of units into STL units (rounded down to the nearest whole number).
6. The STL Program will include a provision requiring the City to provide a report to the Coastal Commission after three years from the date of certification of the pending LCP Amendment. The report will include the following:
 - Update on new housing and hotel units added within the City including lower and higher cost hotels and affordable and higher cost housing;
 - Total number of dwelling units in the permitted Districts as well as the total number of short-term lodging permits that have been issued;
 - Identification of the housing types and locations of the short-term lodging permits issued, including home share units.

If the report identifies evidence that short-term lodging is contributing to a loss of lower cost hotel room stock or affordable housing stock, the City shall propose an amendment to the short-term lodging ordinance and/or other provisions of the Local Coastal Program to address the identified trend.