



CITY OF BIG BEAR LAKE *California*

MEETING DATE: November 9, 2020

TO: Honorable Mayor Herrick and Members of the City Council

FROM: Frank A. Rush, Jr., City Manager

SUBJECT: City Manager Comments – Item 3.2

PRELIMINARY REVIEW – DRAFT VACATION RENTAL ORDINANCE

ACTION TO BE CONSIDERED

City staff have completed a comprehensive review of the City's existing ordinance regulating vacation rentals, and have drafted a proposed new ordinance to replace the existing ordinance and improve the City's vacation rental program. The new ordinance and improved program are designed to achieve and maintain an acceptable balance between residential quality of life and vacation rental impacts in our community.

City staff will brief the City Council and the community on the key provisions of the draft ordinance at the November 9 meeting. The November 9 meeting is simply intended to provide an overview of the draft ordinance, and is not intended for a lengthy discussion at this time. We believe this issue requires more focused discussion and time for public input, and we intend to schedule a special joint meeting of the City Council and Planning Commission for November 18 - solely to receive additional public input and allow for in-depth discussion by the Planning Commission and City Council. Additional public input meetings will be scheduled in the following weeks and months as necessary to ensure meaningful public input. Formal action will be scheduled as appropriate depending on feedback received at the November 18 meeting and any subsequent special workshops.

RECOMMENDED MOTION(S)

Motion to schedule a special joint meeting of the City Council and Planning Commission for Wednesday, November 18 at 1:30 pm in the Performing Arts Center, with appropriate COVID-19 safety measures.

RESPONSIBLE STAFF Larry Vaupel, Director of Tourism Management - Staff Report Attached

ADDITIONAL CITY MANAGER COMMENTS

City staff have listened intently to concerns expressed by our community about vacation rentals over the past several months, and I believe we have a solid understanding of the community's concerns. City staff have thoughtfully considered ALL of these concerns, and have prepared the draft ordinance specifically to address these concerns – in a thoughtful, practical, and effective manner. I am pleased to present this draft ordinance for review, questions, suggestions, and adjustments by the City Council after receiving additional public input and feedback.

The draft ordinance is very carefully crafted, with many complementary and interwoven provisions, to promote the following:

- A return to the original intent of vacation rentals. – The draft ordinance is crafted to discourage the use of vacation rentals as a profit-making enterprise, and to promote a return to the original model whereby vacation rentals were used as a means to offset the cost of an owner's second

home so it would be affordable for use by the owner's family for the remainder of the year. The draft ordinance includes provisions requiring ownership by natural persons only, prohibiting the conversion of apartments to vacation rentals, and prohibiting the sub-leasing of properties as vacation rentals. In short, vacation rentals should be used to offset expenses of those who enjoy and are committed to our community, and not simply as a profit-making activity.

- An intentional emphasis on engagement, communication, and relationships. The draft ordinance includes numerous provisions to promote active engagement by the vacation rental owner or his / her professional manager, to promote frequent and effective communication between City staff and the vacation rental industry, and to build a cooperative relationship between City staff and with vacation rental owners and professional managers.
- Timely, validated, and effective enforcement. The draft ordinance intentionally shifts primary enforcement responsibility from vacation rental owners and managers (a centerpiece of the existing ordinance) to an augmented City enforcement staff – with proactive patrols and nearly immediate response from a City enforcement official at all times. The approach also includes a more customer-oriented call center to receive complaint calls.
- More significant penalties for violations validated by City enforcement staff. The draft ordinance includes fines ranging from \$500 - \$10,000, to be levied on guests, owners, and/or owner's agents, allows for immediate eviction if warranted, and also enables the City Manager to revoke a vacation rental license after just one violation (if particularly egregious).
- The intentional encouragement of families utilizing vacation rentals. The draft ordinance includes new occupancy limits aimed at making it more attractive for families to occupy vacation rentals as opposed to large groups of unrelated individuals, establishes a minimum rental age of 25 years old, and requires a two-night minimum stay.
- A deliberate focus on preventing, resolving, and punishing the two most frequent violations: noise / parties and parking. The draft ordinance prohibits amplified music from being audible at the property line at any time during the day, includes new limits on non-overnight visitors (max 4 during daytime hours only) to the property, and requires all guests to park in the garage or driveway on the vacation rental property (on-street parking is prohibited).
- Engaged, committed, and professional management of vacation rental units. The draft ordinance includes a requirement for either the owner to personally manage and respond to ALL aspects of the vacation rental experience (including the 30 minute in-person response) or to hire a professional management company with a brick and mortar presence in the Big Bear Valley. This provision is likely to be controversial among self-managed, absentee vacation rental owners, but is intended to ensure proper engagement, a commitment to our local community, a clear understanding of community expectations, and improved communications with the City. As part of this requirement, the Director of Tourism Management will be charged with certifying all owners (who must personally manage and respond to all aspects of the vacation rental experience) and/or owner's agents, and with conducting at least monthly meetings with ALL owner's agents to review issues, concerns, and complaints – in an effort to build a communicative and cooperative relationship and effectively PREVENT problems in the future.
- A deliberate effort to improve solid waste management associated with vacation rentals, and promote overall community cleanliness. City staff are currently working toward the establishment of a comprehensive curbside solid waste collection program and the closure of one of the Clean Bear sites, and the draft ordinance requires vacation rental units to implement new service within 30 days of notification by the City. This requirement would be implemented no earlier than July 1, 2021, and may involve curbside collection with owner or owner's agent

responsibility for managing container placement, or may involve direct collection by the owner or owner's agent, along with additional litter clean-up initiatives in neighborhoods.

- A deliberate increase in the costs of vacation rental ownership, likely to be passed on to vacation rental guests, in an effort to ensure effective management, discourage the proliferation of vacation rentals in the future, and promote a higher-income visitor group. The draft ordinance emphasizes professional management, will include increased costs for solid waste management, and vacation rental license fees will be approximately double in the future to reflect 100% of the cost of program administration and enforcement.
- The greater use of app / online technology to educate vacation rental guests, identify adult occupants, and identify vehicles associated with a vacation rental. The draft ordinance envisions the implementation of a new app / online platform whereby all vacation rental guests will be required to list all adult occupants, list all vehicle license plates for overnight guests, and acknowledge the key behavioral expectations of vacation rental guests (i.e, be quiet and respectful, park only on the vacation rental property).
- The restoration of residential character in neighborhoods. The draft ordinance intentionally aims to promote family visits, prevent disruptive behavior, require on-site parking, eliminate signage, and hopefully make it impossible to distinguish between a residential unit occupied by a permanent resident, second home owner, or vacation rental guests in the future.
- The continued success of the vacation rental industry and our tourism-dependent local economy. Most importantly, the draft ordinance has been carefully crafted to preserve the health of the local vacation rental industry and our businesses who are dependent on continued visitation by vacation rental guests. The draft ordinance is specifically intended to allow for future growth, to slowly and subtly shift the demographic of our vacation rental guests in the future, and promote the use of traditional lodging facilities (in commercial zones) by certain types of guests. The reality is that Big Bear Lake needs a vibrant vacation rental industry to be a successful community in the future – but we also need our vacation rental guests to be respectful, behave appropriately, and embrace our community's values.

City Council should note that we expect the draft vacation rental ordinance to be formally considered for adoption only after sufficient public input has been received in the coming weeks and months. The City Council should schedule as many additional special workshops for public input as you believe is necessary before formally considering the new vacation rental ordinance. If the draft ordinance is well-received, and significant public input has been received, City Council may wish to consider first reading at the December 14 meeting. If additional time is necessary for public input, City Council should delay first reading until the January, February, or later regular meetings to ensure meaningful public input has been received.

City Council should also note that City staff intend to schedule an annual City Council review of the new vacation rental ordinance each year in September (prior to the busy winter season), in order to make necessary adjustments in the vacation rental ordinance and overall program. In short, the vacation rental program should be continually monitored, evaluated, and adjusted as necessary in the future.

Again, as noted above, all of the provisions in the draft ordinance have been carefully crafted to complement other provisions, and to promote the goals outlined above. I believe we have devised an effective ordinance and program improvements, and look forward to the community's, the vacation rental industries, the vacation rental owners', the Planning Commission's, and the City Council's review and feedback in the coming weeks and months.