



CITY OF BIG BEAR LAKE *California*

MEETING

DATE: November 9, 2020

TO: Honorable Mayor and Members of the City Council

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

FROM: Larry Vaupel, Director of Tourism Management

SUBJECT: Preliminary Review – DRAFT Vacation Rental Ordinance

BACKGROUND

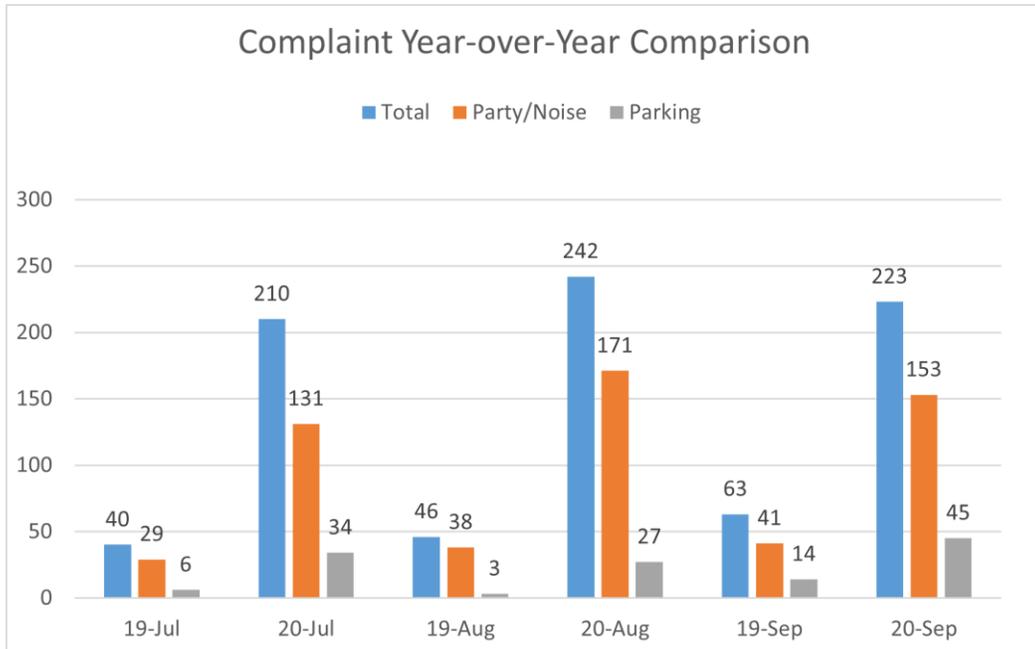
Vacation rentals (transient private home rentals) have a long history in the City of Big Bear Lake. The City was among the first municipalities in the State to adopt an ordinance regulating vacation rentals in 1999. This original ordinance (Ordinance No. 1999-300) provided a means by which second homeowners could help cover the cost of ownership, maintenance, and repairs. In 2007, the City Council adopted Ordinance No. 2007-375 which specified the provisions for enforcing the regulatory rules surrounding vacation rentals. Combined, these two ordinances established Sections 17.03.310 and 17.03.315 of the Development Code.

The ordinance currently being proposed by City Staff will delete these sections of the Development Code and amend Title 4 of the Code of Ordinances to regulate vacation rentals, special events and visitor behavior. One reason for this change is to eliminate any confusion or claim that a land use entitlement is granted by the City with the issuance of a Vacation Rental Permit. Applicants will now be issued a “license” instead of a “permit”.

The current state of the vacation rental market and a dramatic rise in the number of complaints about the behavior of vacation rental guests has led to the proposed changes in how vacation rentals are regulated. Vacation rentals have evolved significantly since our last code update in 2007. Technology allows homeowners to advertise their homes to a global audience. Visitors and tourists from all over the world are now able to view photos, check nightly rates, and reserve a vacation home on their mobile phones. During the ongoing COVID-19 pandemic, regionally based visitors have escaped their homes and locked-down communities to find retreat in vacation homes in the Big Bear Valley. This historic increase in demand has led to a near 100% occupancy rate among vacation rentals in the Big Bear Valley.

DISCUSSION

Residents have been vocal about their concerns regarding vacation rentals and the behavior of the guests occupying them. Feedback, advice, and suggestions about the vacation rental program and ordinance has been received by dozens of residents via email and phone calls to City staff. We have listened intently to the community’s input and have drafted the attached ordinance that we believe will meet our community’s expectations. Additionally, staff analyzed the vacation rental complaint data from the summer of 2019 and compared it to the complaints received in the summer of 2020. Specifically, staff looked at the months of July, August, and September and found the following results:



1. The number of complaints increased approximately five times year over year.
2. In 2020, the percentage of complaints relating to noise or parties is approximately 67% of the total complaints.
3. Parking complaints made up about 16% of complaints in 2020.
4. Combined, parties/noise/parking comprise 83% of the complaints in 2020.
5. The percentage of the parties/noise/parking complaints has been consistent year over year.
6. Other complaints pertained to fires, trespassing, over-occupancy, etc.

We are not alone in experiencing a significant increase in noise and party complaints with regards to vacation home rentals. Our vacation rental compliance software provider saw a 250% increase in these complaints across the country. There have been numerous stories in local and national media about the rise in party houses and the term “Zoom Towns” has been used to describe the boom that has come to cities similar to ours during the work-at-home era and unemployment stimulus funds that has resulted from COVID-19. A seemingly constant stream of visitors to the mountains has led to a record high occupancy rate for our vacation rentals.

The three main objectives of the new ordinance are to reduce the number of complaints pertaining to:

1. Parties and noise from vacation rentals at all hours of the day.
2. Parking of vehicles and boat trailers associated with vacation rentals on public streets.
3. The seemingly constant flow of visitors to vacation rentals without providing the community a break from traffic congestion, noise, and trash associated with tourism.

To address these concerns, staff is proposing some significant changes to the requirements of vacation rentals and the guests who occupy them. The following is a summary of the more substantive changes proposed in the new ordinance.

1. No amplified sound to be heard at property line any time of day.
2. No parties, weddings, or special events allowed without City Manager approval 30 days in advance.
3. Establishes a minimum age of 25 for those reserving a vacation unit.
4. All adult guests must sign a “Good Neighbor Brochure” that provides expectations for behavior and an acknowledgement of fines for non-compliance.
5. Requires an online check-in on City website **and** in-person check-in with owner or agent.
6. Prohibits the use of outdoor spas after 10:00 p.m.
7. Limits occupancy to 2 adults per bedroom, plus children (under 18 years of age), with an absolute cap of 16 people.
8. Prohibits parking of vehicles and trailers associated with a vacation rental on residential streets 24/7.
9. Prohibits apartments from being used as vacation rentals.
10. Establishes significant fines and penalties for non-compliance ranging between \$500 and \$10,000.
11. Allows room rentals in a home where the owner is present as a host (Hosted Homestay).
12. Prohibits business entities from being owners of vacation rentals.
13. Prohibits long-term leaseholders from operating a vacation rental.
14. Requires a two-night minimum contract.
15. Limits daytime guests to a vacation rental to a maximum of 4 (no street parking).
16. Requires curb-side trash collection or corporate collection of trash via cleaning crews upon written notice from the City.
17. Requires all vacation rentals to be managed and operated by a certified local owner or a certified management company located in the Big Bear Valley.
18. Requires City Staff to be the first responder to complaints, rather than the current ordinance which relies on the owner or owner’s agent to respond.

Each of these changes will help address one or more of the three main objectives of the proposed ordinance. There is little doubt that the visitor profile of 2020 has been different than the traditional visitor profile vacationing in the Big Bear Valley. House parties filled with young adults replaced family reunions and summer vacations. With bars, restaurants, and night clubs closed, guests resorted to partying in our residential neighborhoods.

Policing the behavior of 10,000 visitors every weekend will take more than the efforts of City Staff. We need local management companies that are owned and operated by residents who love Big Bear Lake and are significantly invested in the successful operation of our Vacation Rental Program to help us succeed. The new ordinance requires that an owner either live full-time locally or hire a professional firm (certified by the City) to manage the vacation rental. Working with approximately 10-25 local companies will allow us to be more effective in handling noise, parking, and other behavioral issues of visitors when they arise. These companies are readily able to provide in-person check-ins for all guests in their local offices and can meet with City staff to discuss issues on short notice.

A new provision in the proposed ordinance is that each vacation rental contract must have a term of at least two (2) nights. Staff believes this provision will have a stabilizing effect in our community and will help eliminate the house parties that have been occurring recently. A longer term on contracts will afford neighbors the opportunity to meet the guests, welcome them to our community, and establish neighborly respect. Staff also hopes that this requirement, along with reducing occupancy to 2 per bedroom (plus children), and establishing a minimum age for renters of 25 years old will result in owners renting to more families and mature adults seeking a location for a week-long summer vacation or a long ski weekend during the winter months.

The proposed ordinance, combined with strict enforcement and tough penalties, will assist in the reinforcement of our community's values and expectations for visitors. Our focus is to prevent noise complaints and parking issues that disrupt our neighborhoods and to resolve and punish this behavior as it occurs. Those owners who choose to disregard the ordinance will be removed from the program. Three Code Compliance Officers will be on duty during the busy tourist times, even during weekends and holidays. City Staff will begin to operate the 24/7 call center so that we can better understand the nature of complaints and act immediately. The City will explore new technologies that allow complaint filing and tracking via a mobile application and website to improve communication and increase transparency with residents.

Most certainly, the provisions and strict requirements of the proposed ordinance will dissuade some prospective and current owners from operating a Vacation Rental. The licensing costs will be increased to cover the full cost of operating the program and ensuring compliance of the regulations. For some, the increased cost of operations and/or the increase demand on their time to operate in accordance with the new regulations may result in them leaving the program. If our program is going to be successful, we need owners who are fully engaged in the program, treat their vacation rental like it is their primary home, and are committed to limiting the impacts their guests have on their neighbors.

Staff expects that the November 9th City Council meeting and the November 18th joint meeting of the City Council and the Planning Commission will provide opportunities for the public, current permit holders, and managing agencies to provide feedback on the proposed ordinance and surface issues and suggestions about how the ordinance could more effectively meet our three (3) objectives. Staff does not expect any formal action to be taken on the proposed ordinance until the City Council and the Planning Commission believe the proposal has been well vetted and amended based upon the direction of both bodies. The process of adopting a new ordinance is fluid and there is no reason to rush to adoption. Staff looks forward to hearing from the Council and community and working together to create an ordinance that meets the needs of the community.

ENVIRONMENTAL CONSIDERATIONS

None requiring review under the California Environmental Quality Act (CEQA).

FISCAL IMPACT

There is no fiscal impact associated with the adoption of this ordinance. The license fee will be raised to cover the cost of administering the Vacation Rental Program. City Council will be asked to amend the fee schedule when adopting the new ordinance at a future meeting.

ATTACHMENTS

1. Ordinance No. 2020-xxx