

SPECIAL JOINT MEETING OF THE
CITY COUNCIL AND
PLANNING COMMISSION
CULVER CITY, CALIFORNIA

January 25, 2017
7:00 P.M.

Call to Order & Roll Call

Mayor Clarke called the joint special meeting of the City Council and the Planning Commission to order at 7:02 P.M. in the Mike Balkman Chambers at City Hall.

Present: Jim B. Clarke, Mayor
Jeffrey Cooper, Vice Mayor
Göran Eriksson, Council Member
Meghan Sahli-Wells, Council Member
Thomas Small, Council Member

Also Present: Chair David Voncannon
Commissioner Kevin Lachoff
Commissioner Ed Ogosta

Absent: Vice Chair Dana Amy Sayles
Commissioner Scott Wyant

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Pledge of Allegiance

The City Council and the Planning Commission recited the Pledge of Allegiance, led by Albert Vera.

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Joint Public Comment - Items NOT on the Agenda

No cards were received and no speakers came forward.

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Community Announcements by Members/Information Items from Staff

Council Member Sahli-Wells announced a Community Conversation on Affordable Housing, the Role of the Landlord Mediation Board, and Homelessness on February 4, 2017 in the multipurpose room of Veterans Memorial.

Chair Voncannon wished Marcus Tiggs a happy birthday.

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Receipt and Filing of Correspondence

MOVED BY COUNCIL MEMBER ERIKSSON, SECONDED BY COUNCIL MEMBER SAHLI-WELLS AND UNANIMOUSLY CARRIED THAT THE CITY COUNCIL AND THE PLANNING COMMISSION RECEIVE AND FILE CORRESPONDENCE.

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Order of the Agenda

No changes were made.

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Action Items

Item A-1

CC:PC (1) Discussion Regarding Banning or Regulating Short Term Rentals in Residential Zone Districts Citywide; and (2) Direction to City Manager as Deemed Appropriate

Mayor Clarke discussed the format of the meeting and procedures for public speaking.

Sol Blumenfeld, Community Development Director, introduced the item and discussed staff involved in compiling the information and elements of the item to be considered.

Thomas Gorham, Planning Manager, provided a summary of the material of record; discussed the background of short-term rentals and their growing popularity through online hosting platforms; the process and typical length of stay; cities forced to address issues brought by short term rentals

including: increase in transient residents, vehicle traffic, and noise and nuisance complaints; initial consideration of applying the Transient Occupancy Tax (TOT) by the Finance Advisory Committee; the absence of regulations; multiple departments involved in short term rentals including Zoning, Finance, Code Enforcement, and possibly Planning, Building Safety, Police and Fire Departments; the pros and cons of short term rentals; clarification that the current zoning code prohibits rentals of less than 30 days in residentially zoned districts and that if a land use is not specified as permitted, it is considered prohibited; experiences of other cities that have applied their TOT tax to short term rentals; various regulatory approaches the City could take on the issue; resource-intensive enforcement issues with short term rentals; an observation that if banned, the enforcement services workload could be increased, if allowed, the zoning, business licensing, tax collection and enforcement/compliance departments would be involved; and possible City Council actions on the issue.

Discussion ensued between the staff, Council Members and Commissioners regarding late correspondence received from Airbnb; footnotes in the staff report; feedback from the Police and Fire Departments on the issue; the number of complaints received in 2016 related to short term rentals; enforcement actions taken; compliance rate on complaints investigated; the labor intensive nature of enforcement; tracking listings on multiple hosting platforms; community awareness regarding the legality of the rentals; inquiries about the legality of short term rentals; identified areas of concentrated rentals; potential Americans with Disabilities Act (ADA) compliance issues; whether State law on short term rentals exists; recently enacted State law on Accessory Dwelling Units (ADUs) and the provision prohibiting rental of an ADU for less than 30 days; City licensing of hosting platforms; responsibility for registering operators with cities in order to collect TOT tax; details of Santa Monica enforcement data; types of complaints from other similar cities; using an ordinance from another city as a model; the problematic nature of regulations; success rates of cities that have banned short term rentals; Airbnb lawsuits against cities that have tried to regulate; disallowing advertising short term rentals if they are banned in order to make enforcement less burdensome; estimates on the number of short term

rentals in the City; the potential for enforcement to cost more than what would be generated by the tax; tax collection challenges with different hosting platforms; an observation that most cities that have banned short term rentals are dependent on tourism and hotel use for their tax base; whether similar cities to Culver City have banned short term rentals; potential short term rental impacts on the apartment market; additional building regulations or fire protection needs based on occupancy and number of units; the ability of Homeowner Associations (HOAs) to ban short term rentals; whether the burden on staff is greater with a ban or with regulation; staff responsibilities depending the decision made by the City; and confirmation that TOT tax is 14% of rental revenue.

Mayor Clarke invited public comment.

The following members of the audience addressed the City Council and Planning Commission:

Tracey Chavira, HomeAway, provided background on the company; asked the City Council to consider allowing and regulating short term rentals; advocated for a simple online registration process to collect taxes and enforcement fees; discussed penalties and inspections; concern that cumbersome regulations would result in a low compliance rate; a request to keep the regulations simple; differences between HomeAway and Airbnb; clarification that HomeAway was recently acquired by Expedia which is a merchant of record; hosted vs. un-hosted properties; a recommendation to require a 24 hour emergency number for un-hosted properties; support for limits on how many days out of the year properties can be rented in order to prevent investors from buying to capitalize on the market; and she thanked staff for their work and asked the City Council to look on her company as a resource.

Discussion ensued between the speaker, staff, Commissioners and Council Members regarding whether the use of property management firms as a contact of record would trigger investors; an assertion that it wouldn't pencil out for an investor to buy for the sake of short term rental; and demographics of the average short term rental user.

Cynthia Kennedy, Affordable Living for the Aging, provided background on the company; reported an increase in senior

homelessness with the current affordable housing crisis; outlined the housing share program and its benefits; discussed the average stay in their program; and she asked the City not to inadvertently negatively affect the housing share program with overly restrictive regulation.

Discussion ensued between the speaker, staff, Commissioners and Council Members regarding the average age of the housing provider and seeker; whether short term rentals would take away housing opportunities from the program; local participation in the program; companionship and security as part of the program; and clarification that while the housing seeker pays for housing, Affordable Living for the Aging stays involved for the duration of the partnership.

Steven Rose, Chamber of Commerce, reported that the Chamber had not yet formulated a policy on the issue; discussed their efforts to date on the issue; potential affects to quality of life, public safety and money; negative effects on housing affordability, parking issues, intrusion of business in residential areas, converting apartments, noise complaints, party houses, smoking, and smoke detectors; whether food service is part of the rental and appropriate regulation; fire inspections; concern for the potential for creating a loophole in the City's ordinance against customers and employees going in and out of a business in a residential neighborhood; and whether the cost of enforcement could be more than the revenue to the City.

Discussion ensued between the speaker and Council Members regarding information available from the State Chamber of Commerce on other actions and regulations of other cities, and agreement from Steven Rose to investigate when he attends a statewide meeting the following week.

Jim Snodgrass discussed a duplex across the street from him that became an Airbnb; the larger issue of rentals going off the market and pushing prices up; and he spoke of the value of high owner occupancy that Culver City had once been recognized for.

Discussion ensued between staff and Council Members regarding the legality of evicting a tenant in order to create a short-term rental, and the lack of safeguards in

place to stop the regular practice of increasing rents in order to vacate tenants.

Seth Horowitz spoke on behalf of the owners of the Culver Hotel noting significant effects of short term rentals on the hotel industry worldwide; concern that the competing industry is being treated in an uneven way; concern with government regulations restricting someone wanting to do business; objections to business being done in residential areas; the Culver Hotel would not be impacted by the issue as their product is unique; he strongly recommended banning short term rentals, citing a lack of revenue as a main reason; he reviewed the genesis of Airbnb in San Francisco; and he asserted that a ban would have the least amount of impact on staff.

Marcus Tiggs discussed the experiences of Anaheim and San Francisco; regulations bringing lawsuits; the need for communication to know who is participating; Malibu's use of legislative subpoenas; negative impacts on affordable housing; whether Culver City would follow Oakland in its use of a portion of their TOT tax for affordable housing; and support for allowing and regulating short term rentals with a requirement that they be hosted.

Brock Harris, Los Angeles Short Term Rental Alliance (LASTRA), discussed the makeup and focus of the organization; expressed support for reasonable regulations; asked that the City not ban short term rentals; discussed benefits of short term rentals; he observed that the hotel industry regards short term rentals in the same way the taxi industry looks at Uber; he indicated that LASTRA supports regulation, registration, easy compliance rules to ensure the vetting of guests, a three-strike rule for violators, and no limitations on the number of days; he asserted traffic concerns were usually unfounded as short term rentals generate less traffic than long term renters; and he took issue with the description of short term rentals as a business use when it is a residential rental use.

Discussion ensued between the speaker and Council Members regarding potential health and safety inspections and requirements, and the lack of a food service element in short term rentals.

Rich Waters discussed a friend who runs an Airbnb in Vermont; the importance of vetting; the issue of absentee landlords; his survey of the garages on his block with only three used to park cars; and he felt parking requirements and building codes should be changed.

Discussion ensued between staff and Council Members regarding vetting responsibilities of the owner; resources available in the vetting process; and the mutual review process.

Eleanor Osgood discussed the negative impact of short term rentals on affordable housing; scarcity of rental property; homelessness; evictions of long term renters to make room for short term rentals; and a suggestion that the City publicize the fact that short term rentals are not currently allowed so anyone impacted knows that they have recourse.

Tonie Paull related her negative experience living next door to a rental being used as an Airbnb including: noise issues, high occupancy rates, and increases to traffic and parking issues; she reported that complaints to the owner led to a suggestion that she call the police; she expressed concern with liability issues; and she discussed online resources.

Stephen Paull detailed complaints with his neighbor's Airbnb including noise and smoking in the early morning hours; the police as the only recourse and the burden that brings; and he asserted that property values could be negatively impacted.

Marla Koosed asked, as a long-time resident, that the City keep the single family home neighborhoods as they were intended.

David Trovato, Finance Advisory Committee, received clarification from staff on revenue projections in the report; discussed shared vs. full-time rentals; the use of Airbnb for business trips rather than tourism; and he pledged support for allowing short term rentals as a user himself.

Discussion ensued between the speaker and Council Members regarding whether the Finance Advisory Committee had looked

at the cost benefits of allowing short term rentals and the difficulty of making projections without a real usage rate.

Further discussion ensued between staff, Commissioners and Council Members regarding empathy for neighbors of short term rentals; an assertion that a ban would not be successful; support for reasonable, enforceable regulations; requiring a 24 hour contact number; not spending more on enforcement than is received in revenue; more conversations needed to develop reasonable regulations; an assertion that the pros aren't outweighing the cons and a ban would be the easier route; keeping to the intent of home sharing vs. a hotel-like business in a residential neighborhood; requiring on-site hosting; public safety issues with sharing keys with renters; compliance issues with regulations; regular room rentals; placing a limit on the number of units allowed per neighborhood and placing a limit on the number of days per year a unit can be rented; the asset of unused rooms in a person's house; concern with the potential loss of affordable housing; making use of empty homes; allowing flexibility of renting space; the sharing economy; making sure that the City adapts safely; enforcement; regulation; finding a healthy balance; owner accountability; business licensing of the owner and the host platform; the fee schedule; responsibility of TOT collection; data sharing; home sharing for the aging; whether to require a responsible person on-site; establishing a limit to the number of complaints received before suspension; vacation rentals; allowable density; definition of designated areas; ensuring that short term rentals do not become a destructive force; coordination with other cities; the feeling that enforcement will cost money and that a revenue neutral scenario will not be possible; costs to the City and to residents; a preference to keep things status quo and not allow less than 30 day rentals; the changing world; support for the Santa Monica model; concern that a ban would create an underground economy; required registration with the City for property owners; concern with speculators; limitations within an apartment complex and within neighborhoods; liability; damage; noise; concern with sub-rentals; revenue return; appreciation to staff for handling a complaint regarding an Airbnb rental over a commercial property; seniors renting out their extra rooms; use of Airbnbs by people coming into town working at the studios; renting out your home when out of town; whether to ban or regulate;

concern with a loss of rental inventory in the City;
enforcement; the multi-departmental nature of the issue;
facilitating the conversation by establishing a task force;
fine tuning the process with a public workshop before
considering the final ordinance; the complicated nature of
the issue; achieving maximum public input; Brown Act
issues; including the public in the task force meeting; the
number of short term rentals in the City; notification;
outreach; the conflict between issuing a business license
to a business that is not legal; investigation of the
actions of Los Angeles; bodies involved in the taskforce;
City Council and Commission consensus to agendize
discussion of appointments to the task force; the
importance of extensive outreach; additional concerns and
input from absent Commissioners sent to staff; concern that
Airbnb representatives might not want to show up as the
practice is illegal; and next steps in the process.

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Public Comment - Items NOT on the Agenda (continued)

Mayor Clarke invited public comment.

No speakers came forward and no cards were received.

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Items from Council Members and Commissioners

None.

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Items from Staff

None.

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Adjournment

There being no further business, at 9:21 P.M., the City
Council and Planning Commission adjourned their meeting.

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Jeremy Green
DEPUTY CITY CLERK of Culver City, California
Culver City, California

JIM B. CLARKE
MAYOR of Culver City, California