

1 hearings;

2 7. The City of Auburn General Plan, Zoning Ordinance, and all
3 other applicable regulations and codes;

4
5 C. The City Council Findings of Fact for this Ordinance as
6 presented in the public record;

7 D. In view of all of the evidence in the record and based on the
8 foregoing findings, the City of Auburn City Council further finds the
9 following:

10 1. All documents and materials relating to the proceedings for
11 the Short Term Rental Ordinance are maintained in the City of Auburn
12 Community Development Department; 1225 Lincoln Way, Room 3; Auburn,
13 CA 95603;

14 2. In view of all of the evidence and based on the foregoing
15 findings, the City of Auburn City Council hereby adopts a Categorical
16 Exemption prepared for the Short Term Rental Ordinance in accordance
17 with Section 15301 (Existing Facilities) of the California Environmental
18 Quality Act (CEQA) Guidelines;

19
20 Section One: Amendments to Sections 159.001 and 159.031 and
21 adding Sections 159.510 through 159.521 are shown in **Exhibits A & B**
22 hereby amend the Auburn Municipal Code. An updated fee schedule for
23 short term rentals is shown in **Exhibit C**.

24
25 Section Two: This Ordinance shall take effect thirty days following
26 its adoption as provided by Government Code Section 36937.


27
28 Section Three: The City Clerk shall certify to the passage and
adoption of this Ordinance and shall give notice of its adoption as required

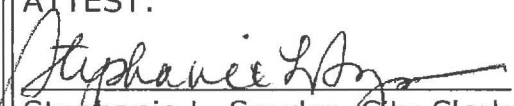
1 by law. Pursuant to Government Code Section 36933, a summary of this
2 Ordinance may be published and posted in lieu of publication and posting of
3 the entire text.

4
5 Section Four: Should any provision, section, paragraph, sentence
6 or word of this Ordinance be rendered or declared invalid by any court of
7 competent jurisdiction or by reason of any preemptive legislation, the
8 remaining provisions, sections, paragraphs, sentences or words of this
9 Ordinance shall remain in full force and effect.

10
11 Section Five: To the extent the provisions of the Auburn Municipal
12 Code as amended by this Ordinance are substantially the same as the
13 provisions of that Code as it read prior to the adoption of this Ordinance,
14 those provisions shall be construed as continuations of the prior provisions
15 and not as new enactments.

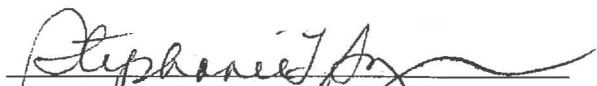
16
17 DATED: January 12, 2015

18 
19 Keith Nesbitt, Mayor

20 ATTEST:
21 
22 Stephanie L. Snyder, City Clerk

23 I, Stephanie L. Snyder, City Clerk of the City of Auburn, hereby certify
24 that the foregoing ordinance was duly passed at a regular meeting of the
25 City Council of the City of Auburn held on the 12th day of January 2015 by
the following vote on roll call:

26 Ayes: Powers, Berlant, Kirby, Spokely, Nesbitt
27 Noes:
28 Absent:


Stephanie L. Snyder, City Clerk

ORDINANCE NO. 15- 01

AN ORDINANCE OF THE CITY OF AUBURN AMENDING SECTIONS 159.001
AND 159.030 OF THE AUBURN MUNICIPAL CODE AND ADDING SECTIONS
159.510 THROUGH 159.521 OF THE AUBURN MUNICIPAL CODE FOR
SHORT TERM RENTALS

**Section 1. DECLARATION OF INTERPRETATION OF AUBURN MUNICIPAL
CODE SECTION 33.186**

Auburn Municipal Code § 33.186 includes the following definition:

HOTEL. Any structure, or any portion of any structure, containing 3 or more units, which is occupied, or intended or designed for occupancy, by transients for dwelling, lodging or sleeping purposes and shall include any hotel, inn, tourist home or house, motel, studio hotel, bachelor hotel, lodging house, rooming house, apartment house, dormitory, public or private club, mobile home or house trailer at a fixed location, or other similar structure, or portion thereof.

This definition includes bed and breakfast establishments, such as any portion of a private home or structure containing 3 or more units which is rented out to members of the public for any form of compensation. This interpretation is declarative of existing law, and is intended to clarify the Code, not add to it.

Section 2. AMENDMENT OF SECTION 159.001

The definition of HOTEL as currently defined in Section 159.001 will be deleted in its entirety and replaced with the following:

HOTEL. Any structure, or any portion of any structure, which is occupied or intended or designed for use or occupancy by transients as defined in Section 33.186, including, but not limited to dwelling, lodging or sleeping purposes, and includes any hotel, inn, tourist home or house, motel, studio hotel, bachelor hotel, lodging house, rooming house, apartment house, time share project or facility, dormitory, public or private club, mobile home or house trailer at a fixed location, recreation vehicle or other similar structure or portion thereof, including a bed and breakfast establishment, as defined herein.

Section 3. AMENDMENT OF SECTIONS 159.030.

The Residential Zones contained in Sections 159.030, 159.031 and 159.032 will hereby be amended to include Short Term Rentals as a permitted use in the zone in accordance with Section 159.030 (A)(8).

Section 4. CODE AMENDMENT TO ADD A NEW CHAPTER 159.510: SHORT TERM RENTALS TO THE AUBURN MUNICIPAL CODE.

A new Chapter 159.510 is hereby added to the Auburn Municipal Code as set forth in Exhibit A attached hereto and incorporated by reference.

Section 5. SEVERABILITY.

If any section, sentence, clause, phrase, or portion of this Ordinance is for any reason held to be invalid or unenforceable by a court of competent jurisdiction, the remaining sections, sentences, clauses, phrases, or portions of this Ordinance shall be nonetheless remain in full force and effect. The City Council of the City of Auburn hereby declares that it would have adopted each section, sentence, clause, phrase, or portion of this Ordinance, irrespective of the fact that any one or more sections, sentences, clauses, phrases, or portions of this Ordinance be declared invalid or unenforceable and, to that end, the provisions of this Ordinance are severable.

CHAPTER 159.510: SHORT TERM RENTALS

159.510	Purpose
159.511	Findings
159.512	Definitions
159.513	Authorized Agent or Representative
159.514	Short Term Rental Permit Required
159.515	Short Term Rental Permit Application
159.516	Permit Processing
159.517	Operational Requirements
159.518	Standard Conditions
159.519	Record Keeping
159.520	Violations
159.521	Severability

§ 159.510 PURPOSE.

(A) The purpose of this chapter is to establish a permitting process and appropriate standards for private short term rentals of single-family and multiple family dwellings as an alternative to the hotel, motel and bed and breakfast accommodations currently existing in the City; to minimize the negative secondary effects of short term rental use on surrounding residential neighborhoods; and, to retain the character of the neighborhoods in which any short term rental use occurs.

(B) This chapter is not intended to provide any owner of residential property with the right or privilege to violate any private conditions, covenants and restrictions applicable to the owner's property that may prohibit use of such owner's residential property for short term rental purposes, as defined in this chapter.

(C) This chapter is not intended to regulate hotels, motels and bed and breakfast establishments, as defined in the Auburn Municipal Code, that do not qualify as short term rentals.

§ 159.511. FINDINGS.

(A) The City Council hereby finds that the City's regulations of short term rental uses in accordance with this chapter, including the establishment of the non-transferability provisions, is a valid exercise of the City's police power in furtherance of the legitimate governmental interests documented in this chapter.

(B) The City Council hereby finds that the adoption of a comprehensive ordinance regulating the issuance of and operating conditions attached to short term rental permits is necessary to protect public health, safety and welfare.

EXHIBIT B

§ 159.512. DEFINITIONS.

For the purpose of this chapter, the following definitions shall apply unless the context clearly requires a different meaning to serve the intent of this chapter.

GOOD NEIGHBOR BROCHURE. A document prepared by the City that summarizes the general rules of conduct, consideration, and respect, including without limitation provisions of the City of Auburn Municipal Code and other applicable laws, rules, or regulations, pertaining to the use and occupancy of a short term rental unit.

RESIDENT/OWNER. Any person who: (1) owns the property on which the short term rental is located, (2) permanently resides on the property, and (3) takes responsibility for the management or maintenance of the property and short term rental.

SHORT TERM RENTAL UNIT. One or two rooms in a private residential dwelling, or any portion of such dwellings, such as, but not limited to, a single family attached or detached unit or multiple family attached or detached unit, apartment house, condominium, cooperative apartment, not more than two rooms of which are rented for occupancy for dwelling, lodging, or sleeping purposes for any period less than thirty consecutive days, in exchange for any form of payment. A short term rental with more than two rooms is considered a bed and breakfast pursuant to Section 159.546 et. seq. The definition of short term rental does not include "House Swapping" where no money exchange is occurring or "Vacation Rentals" as defined herein.

SHORT TERM RENTAL PERMIT. A permit that allows the use of a privately owned residential dwelling as a short term rental unit pursuant to the provisions of this chapter.

VACATION RENTAL. Renting out of a furnished apartment or house on a temporary basis, for 30 days or less.

TRANSIENT. See Chapter 33.186 of the Auburn Municipal Code.

§ 159.514. SHORT TERM RENTAL PERMIT REQUIRED.

The Resident/Owner must obtain a short term rental permit from the City, before renting any short term rental unit.

§159.515. SHORT TERM RENTAL PERMIT APPLICATION.

(A) The Resident/Owner must submit an application for a short term rental permit on an application form provided by the City.

(B) The short term rental permit application shall be accompanied by an application fee as established by Resolution of the City Council.

EXHIBIT B

§ 159.516. PERMIT PROCESSING.

(A) Upon receipt of an application and fee, the Director shall process a short term rental permit in accordance with Section 159.476 Administrative Permits Issuance, except that if any part of that section conflicts with the procedures and requirements set forth in this Chapter, this Chapter shall govern.

(B) If the Director receives opposition to the short term rental permit application, the applicant may elect to forward the application to the Planning Commission. Short term rental permit applications forwarded to the Planning Commission shall be accompanied by a processing fee established by Resolution of the City Council. If the applicant does not elect to forward the application to the Planning Commission, it shall be deemed withdrawn.

(C) The Planning Commission shall review and either approve or deny the application pursuant to the requirements of this Chapter after considering the effects the proposed use would have on surrounding uses and the cumulative impacts within the community. In approving a short term rental application, the Planning Commission shall make the Use Permit findings contained in Section 159.408 et. seq of the Auburn Municipal Code.

(D) The Planning Commission may impose conditions on the granting of an application for a short term rental permit to mitigate the impacts of the proposed land use.

(E) *Notice of Application.*

1) The Director shall provide notice of application, including a copy of the Good Neighbor brochure, for a short term rental permit to the property owners located within a **one hundred** foot radius of the property that the short term rental unit is situated within ten days of approving the application.

2) The notice of application shall state that the noticed owners may file a written protest against the proposed short term rental with the Director. All protests must be postmarked or received not less than ten days of the mailing of the noticed application.

(F) *Appeals.* Any person aggrieved by the action of the Director may appeal that action to the Planning Commission pursuant to Chapter 162 of the Auburn Municipal Code. Actions by the Planning Commission may be further appealed to the City Council pursuant to Chapter 162 of the Auburn Municipal Code.

EXHIBIT B

§ 159.517. OPERATIONAL STANDARDS.

(A) The Resident/Owner shall use reasonably prudent business practices to ensure that the short term rental unit is used in a manner that complies with all applicable laws, rules and regulations pertaining to the use and occupancy of the subject short term rental unit.

(B) *Maximum Number of Days and Nights for Rent or Lease:* The maximum number of days that a short term rental may be occupied by any one transient is thirty consecutive days.

(C) *Maximum Number of Rooms and Occupants:* The maximum number of short term rentals shall not exceed two rooms per property. The maximum number of overnight guests for a short term rental shall not exceed two persons per bedroom, excluding children under the age of twelve. Additional daytime guests are allowed between the hours of 7:00 a.m. and 10:00 p.m.

(D) *Appearance, Visibility or Location:* A short term rental shall not change the residential character of the outside appearance of the residence, either by the use of colors, materials, lighting, or any advertising mechanism.

(E) *On-site Parking Required:* The parking spaces required shall be in addition to the parking required of the existing residential unit. A minimum of one parking space shall be provided for each guest room. All parking associated with a short term rental shall be located entirely on-site and may be located within the existing driveway.

(F) *Noise:* Occupants of the short term rental shall comply with the noise standards and regulations of the City of Auburn Municipal Code, Chapter 93 et. seq.

(G) *Renter Notification:* The Resident/Owner shall provide each occupant of the short term rental with the following information prior to occupancy of the unit and shall post such information in a prominent location within the unit:

- 1) Name of Resident/Owner with 24 hour availability;
- 2) The maximum number of overnight occupants permitted pursuant to this chapter;
- 3) Trash pick-up day and applicable rules and regulations pertaining to leaving or storing trash on the exterior of the property;
- 4) A copy of the Good Neighbor Brochure.

EXHIBIT B

§ 159.518. STANDARD CONDITIONS.

(A) While a short term rental unit is rented, the Resident/Owner shall be available twenty-four hours per day, seven days per week for the purpose of responding within a timely manner to complaints regarding the condition, operation, or conduct of occupants of the short term rental unit or their guests.

(B) The Resident/Owner shall use reasonably prudent business practices to ensure that the occupants and guests of the short term rental unit do not create unreasonable noise or disturbances, engage in disorderly conduct, or violate any applicable law, rule or regulation pertaining to the use and occupancy of the short term rental unit.

(C) Prior to occupancy of a short term rental unit, the Resident/Owner shall:

- 1) Provide a copy of the Good Neighbor Brochure to the occupant; and
- 2) Require the occupant to execute a formal acknowledgment that he or she is legally responsible for compliance with all applicable laws, rules and regulations pertaining to the use and occupancy of the short term rental unit by all occupants of the short term rental and their guests. This information shall be maintained by the Resident/Owner for a period of three years and be made readily available upon request of any officer of the City responsible for the enforcement of any provision of the Municipal Code or any other applicable law, rule or regulation pertaining to the use and occupancy of the short term rental.

(D) The Resident/Owner shall upon notification that any occupant or guest of the short term rental has created unreasonable noise or disturbances, engaged in disorderly conduct, or committed violations of any applicable law, rule or regulation pertaining to the use and occupancy of the subject short term rental, promptly respond in a timely manner to immediately halt or prevent a recurrence of such conduct by the responsible person, occupants, or guests. Failure of the Resident/owner to respond to calls or complaints regarding the condition, operation, or conduct of occupants or guests of the short term rental within a timely manner shall be subject to all administrative, legal and equitable remedies available to the City.

(E) Trash and refuse shall not be left 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.

(F) The Resident/Owner shall post a copy of the short term rental permit and a copy of the good neighbor brochure in a conspicuous place within the short term rental unit, and a copy of the good neighbor brochure shall be provided to each occupant of the subject short term rental.

EXHIBIT B

(G) The Director and Planning Commission, shall have the authority to impose additional conditions on the use of any given short term rental to ensure that any potential secondary effects unique to the short term rental unit are avoided or adequately mitigated.

(H) The standard conditions set forth herein may be modified by the Planning Commission, upon request of the Resident/Owner based on site specific circumstances for the purpose of allowing reasonable accommodation of a short term rental. All requests must be in writing and shall identify how the strict application of the standard conditions creates an unreasonable hardship to a property such that, if the requirement is not modified, reasonable use of the property for a short term rental would not be allowed. Any hardships identified must relate to physical constraints to the subject site and shall not be self-induced or economic. Any modifications of the standard conditions shall not further exacerbate an already existing problem.

(I) The Resident/Owner shall be in compliance with all of the regulations pertaining to the operation of a short term rental use;

(J) The short term permit is not transferable;

(K) Such other information or conditions as the Director deems reasonably necessary to administer this chapter.

(N) Prior to the operation of a short term rental, the Resident/Owner shall obtain a business license from the City of Auburn.

(O) The short term rental shall be the Resident/Owner's primary residence and he or she shall reside on the property.

§ 159.520. VIOLATIONS.

Violations of his chapter shall be remedied in accordance with Section 10.80 Administrative Citations of the Auburn Municipal Code.

§ 159.521 SEVERABILITY.

If any section, sentence, clause, phrase, or portion of this Ordinance is for any reason held to be invalid or unenforceable by a court of competent jurisdiction, the remaining sections, sentences, clauses, phrases, or portions of this Ordinance shall be nonetheless remain in full force and effect. The City Council of the City of Auburn hereby declares that is would have adopted each section, sentence, clause, phase, or portion of this Ordinance, irrespective of the fact that any one or more sections, sentences, clauses, phrases, or portions of this Ordinance be declared invalid or unenforceable and, to that end, the provisions of this Ordinance are severable.

APPROVED

YR 2/18/14 with
add'l
Direction

CITY COUNCIL
NEW BUSINESS

FEBRUARY 18, 2014

SUBJECT: SHARED ECONOMY BUSINESSES IN THE CITY OF WEST HOLLYWOOD

INITIATED BY: MAYOR ABBE LAND
(Kiran Hashmi, Council Deputy)

COUNCILMEMBER JOHN HEILMAN
(Fran Solomon, Council Deputy)

STATEMENT ON THE SUBJECT:

This item will serve as an introduction to a discussion on shared economy businesses in West Hollywood.

RECOMMENDATIONS:

- 1) Discuss and provide direction as appropriate.
- 2) Direct the City Manager to form a Task Force comprised of staff, a representative from the Transportation Commission, Planning Commission and Business License Commission as well as the Chamber of Commerce and Visit West Hollywood to further study shared economy business in the City of West Hollywood.

BACKGROUND ANALYSIS:

The Shared Economy

The shared economy is an emerging market in many cities across the United States. It is a new type of market in which people rent or purchase rooms, cars, products or services directly from each other, coordinated via the internet through a third party. In some cases this type of collaborative market is intended to simply connect people who are interested in exchanging underutilized assets, but as their popularity grows, some may evolve into for-profit models. Couchsurfing.org is an example of a collaborative model where participants offer their couches to travelers at no cost. Airbnb.com is an example of a for-profit model where potential customers can find a condo or house to rent directly from owners themselves through a third-party website. Under a for-profit model, participants become customers, and sharing becomes buying.

The sharing economy is changing the way consumers source their goods and services. Access to products and services is informal and on demand. A unique aspect to these types of businesses is that they build their reputation through direct relationships with the consumer. These sites are often peer-reviewed and the success of a business is based on their ability to deliver their product in a way that meets or exceeds the consumer's expectations.

AGENDA ITEM 5.D.

Regulatory Implications for Local Government

Some sharing economy businesses have implications for local government including quality of life impacts, business impacts and general consumer safety. For example, short-term vacation rentals may have an impact on noise and parking in residential neighborhoods. Cities may be interested in capturing sales tax revenue from short-term vacation rental businesses to contribute to general fund. Additionally, there is emerging debate about whether these types of rentals are an impediment to hotel business in the surrounding community or if it complements hotel business activity.

While expanding, some sharing economy activities may violate existing municipal regulatory schemes. For example, some cities have policies that prohibit or discourage ride sharing entities because they are treated as unregulated taxicabs, which are often heavily regulated by cities. Rentals offered through websites such as VRBO and Airbnb may violate zoning codes because they are commercial enterprises being operated within residential areas not zoned for commercial use. Because shared economy entities are primarily based online, they can easily fall "under the radar" of local code compliance efforts.

Entities such as VRBO, Airbnb, Lyft and Uber are a growing presence in the City of West Hollywood. These types of entities serve multiple purposes in any community. They may in some cases serve as extra sources of revenue for individual households, while also providing efficient and affordable services to those that use them. However, short-term vacation rentals are prohibited in the City of West Hollywood.

Currently, the City's Code Compliance Division has three active cases involving noise complaints with properties confirmed as short-term rentals; however, the Division receives a number of noise and other complaints that may or may not be attributed to short-term rentals. In addition, Code Compliance is working with the Legal Services and Prosecution Division to enforce the prohibition against operating these and other short-term rentals in residential zones. Legal Services has issued 15 cease and desist letters to property owners suspected of violating the City ordinance by operating a short-term rental. Code Compliance is also receiving an increasing number of complaints about entities like Uber as vehicles are taking up valet parking spots or designated taxicab areas.

What Other Cities Are Doing

Around the country policies and regulations are being enacted to both support the growth of sharing economy businesses and to protect consumers.

In the summer of 2013, the U.S. Conference of Mayors signed a resolution *In Support of Policies for Shareable Cities (Attachment A)* wherein they resolve to "support making cities more shareable by (1) encouraging a better understanding of the Sharing Economy and its benefits to both the public and private sectors by creating more robust and standardized methods for measuring its impacts in cities; (2) creating local task forces to review and address regulations that may hinder participants in the Sharing Economy and proposing revisions that ensure public protection as well; and (3) playing an active role in making appropriate publicly

owned assets available for maximum utilization by the general public through proven sharing mechanisms

In 2012, the City of San Francisco, California, formed a Sharing Economy Working Group, which brought together City Departments, neighborhood and community stakeholders and sharing economy companies to explore San Francisco's existing land-use, planning, tax and other laws that impact or are impacted by collaborative consumption and to explore policy alternatives and legislation to modernize those laws and/or address emerging impacts and issues. In addition to the Mayor's Office and the Board of Supervisors, the Sharing Economy Working Group includes the Planning Department, Department of Building Inspection, Fire Department, Police Department, Department of the Environment, the San Francisco Municipal Transportation Agency (SFMTA), Department of Public Health, the City Controller and Treasurer/Tax Collector's Office. Among the policy areas the Sharing Economy Working Group will focus are:

- Carsharing, parking-sharing & ride-sharing
- Bike and scooter-sharing
- Shareable housing, commercial spaces and workspaces
- Shareable recreation & green spaces, rooftops, urban agriculture and food
- Shareable tools, skills and other commercial enterprises

Conversely, other cities have taken a strong stance against sharing economy businesses. In June of 2012 the City of Los Angeles, California has issued cease and desist orders to Uber, Sidecar and Lyft for operating an unlicensed commercial transportation service within city limits. However, the State of California overturned the City's rule allowing those businesses to operate within California. The State of New York Attorney General declared renting of apartments on Airbnb illegal on the grounds that apartments listed are being operated as illegal hotels. The California Public Utilities Commission is proposing rules that would legalize ride and car sharing companies, but would institute stringent safety requirements.

Other ways these entities may affect the local economy include real estate values, transportation costs and the diversity of local economies. Policy development will continue to evolve from Federal, State and local governments.

CONFORMANCE WITH VISION 2020 AND GENERAL PLAN 2030:

This item is consistent with *the Primary Strategic Goal to **Maintain the City's unique urban balance with emphasis on residential neighborhood livability and Ongoing Strategic Program Adaptability to Future change and promote Economic Development while maintaining business vitality and diversity.***

General Plan 2030: ED 1.1 As feasible, establish land use policies and economic development programs that maintain a diverse mix of residential and non-residential uses and ED 1.2 Seek a balance between visitor-serving and local-serving commercial activity.

EVALUATION:

N/A

ENVIRONMENTAL SUSTAINABILITY AND HEALTH:



N/A

OFFICE OF PRIMARY RESPONSIBILITY:

Office of Mayor Abbe Land and Councilmember John Heilman as well as the City Manager's Department

FISCAL IMPACT: None at this time.

SUBJECT: SHARED ECONOMY TASK FORCE RECOMMENDATIONS

INITIATED BY: CITY MANAGER'S DEPARTMENT – ARTS & ECONOMIC
DEVELOPMENT DIVISION
(Paul Arevalo, City Manager) 
(Maribel Louie, Arts and Economic Development Manager)
(Laura Minnich, Economic Development Analyst) 

STATEMENT ON THE SUBJECT:

The City Council will receive recommendations from the Shared Economy Task Force regarding shared ride service companies and short-term rental units.

RECOMMENDATIONS:

1. Approve the Shared Economy Task Force recommendations regarding shared ride service companies.
2. Approve the Shared Economy Task Force recommendations regarding short-term rental units.

ALTERNATE RECOMMENDATION:

1. Approve a different combination of recommendations from the Task Force.

BACKGROUND ANALYSIS:

At the February 18, 2014 City Council meeting, the Council directed staff to form a Shared Economy Task Force comprised of staff, a representative from the Transportation Commission, Planning Commission and Business License Commission as well as the Chamber of Commerce and Visit West Hollywood to further study shared economy business in the City of West Hollywood.

Task Force Members included:

1. Roy Huebner - Planning Commission
2. Lindsey Horvath - Transportation Commission
3. Rob Lo - Business License Commission
4. Genevieve Morrill - Chamber of Commerce
5. Bill Hynes - Visit West Hollywood

The Shared Economy is an emerging market in many cities across the United States and around the world. The question about how and if this new type of business model should be regulated is one currently being tackled in several communities with a large portion of the discussion centered around preserving housing affordability and public safety for residents and visitors alike. For the purposes of West Hollywood's Shared Economy Task Force, the Task Force focused their discussion on policy recommendations and impacts regarding two of the shared economy business models: shared ride service companies and short-term rental units.

Community Engagement and Public Outreach

The City of West Hollywood's Shared Economy Task Force met seven (7) times from July 2014 – January 2015.

Meeting Date	Topic of Discussion	Location
July 23, 2014	General Overview	West Hollywood Library Community Meeting Room
August 27, 2014	Updates from City of West Hollywood Legal Services and Code Enforcement Divisions	West Hollywood Library Community Meeting Room
September 24, 2014	Short-Term Rentals with speakers from Airbnb and LA Short-Term Rental Alliance	West Hollywood Library Community Meeting Room
October 22, 2014	Shared Ride Services with speakers from Uber and Lyft	West Hollywood Library Community Meeting Room
November 19, 2014	Policy Recommendations on Shared Ride Services	Plummer Park
December 17, 2014	Policy Recommendations on Short-Term Rentals	Plummer Park
January 14, 2015	Finalize All Policy Recommendations	Plummer Park

Each meeting included an opportunity for public comment, staff comments, guest subject matter experts, and time for Task Force deliberation. Subject matter experts that presented directly to the Task Force and answered questions about their various business models included representatives from Airbnb, the LA Short-Term Rental Alliance, Uber, and Lyft.

Throughout the duration of the Task Force meetings, staff provided updates on the web page www.weho.org/sharedeconomy. Updates included agendas for each meeting, press releases about the Task Force, a mid-point meeting

summary as well as draft policy recommendations being discussed by the Task Force. Contact information for the staff liaison supporting the Task Force was also listed on the Shared Economy web page. Meeting dates and times were shared with the general public through the City's community calendar as well as through the City's social media channels.

In addition, feedback regarding the shared economy was solicited through EngageWeho.com, one of the City's community engagement platforms. A summary of the feedback received on this platform was shared with the Task Force at its December 17, 2014 meeting. There were 57 interactions with the discussion topic regarding the allowance of short-term rentals. A total of 21 participants provided comments or ideas sharing feedback regarding short-term rentals in West Hollywood. Two-thirds of those respondents indicated a belief that short-term rentals should not be allowed in West Hollywood while one-third of those respondents would like to see short-term rentals allowed in some form.

Taxi Franchise Outreach

At the request of both City Council and the Task Force, staff held a meeting in November 2014 to hear directly from the taxi franchise operators in West Hollywood to gather feedback regarding the impacts of shared economy businesses on taxis. Representatives from all seven (7) franchise operators attended the meeting to provide input and express their concerns regarding the classification of shared ride companies as Transportation Network Companies (TNCs) by the California Public Utilities Commission (CPUC). Feedback from this meeting was later shared with the Task Force at their November 19, 2014 meeting. A summary of the items discussed during the meeting with the taxi franchise operators included:

- Concerns about the ability of the CPUC to successfully handle enforcement with TNCs
- Interest in having a West Hollywood dedicated TNC regulator from the CPUC
- Requested City support for a County wide or Westside taxi licensing program
- Shared examples from Pasadena and the Coachella Valley to allow for 1-day or 2-day taxi permits in response to demand for concerts or events
- Suggested an educational campaign to residents about safety, coverage, and insurance related to TNCs
- Would like permanent vehicle markings on TNC vehicles rather than temporary ones
- Suggested mandating an airport flat fee match for both TNCs and Taxis
- Would like to see TNCs participate in the California DMV Employer Pull Notice Program (EPN)

The EPN program notifies an employer automatically when an employee's driver's license record has an updated action or activity. Taxi drivers in West Hollywood currently participate in this program. According to the California Department of Motor Vehicles web page, the EPN monitoring has the ability to improve public safety, determines if each driver has a valid driver's license, reveals problem drivers or driving behavior and helps to minimize liability.

Shared Ride Services

Shared Ride services in California are regulated by the California Public Utilities Commission (CPUC) and classified as Transportation Network Companies (TNC). The CPUC has assumed jurisdiction over TNCs pursuant to its declared authority under the Passenger Charter-Party Carriers' Act. TNCs, like all charter-party carriers, are considered distinct from taxis because taxis can be hired on-demand or as a pre-arranged service. TNCs however are always hired on a pre-arranged basis. As a result, taxis, are regulated by local jurisdictions within California while TNCs are regulated at the State level. This determination regarding the regulation of TNCs at the State level framed the discussions held by the Task Force regarding shared ride service companies in West Hollywood.

AB 2293

During the course of the Task Force meetings, California Assembly Bill 2293 was approved amending insurance requirements for TNCs within California with an effective date of July 1, 2015. This legislation received significant media coverage and concluded with an eventual compromise from the TNC operators. The approved legislation requires TNCs to insure drivers as soon as they turn on their ridesharing app of choice regardless of if a passenger is in the vehicle. Prior to its adoption, many TNCs offered drivers commercial insurance only when their app is on and someone had accepted a ride — the coverage then generally lasted until the rider exited the car at their destination. Approved TNC operators in California of Uber, Lyft, SideCar, Wingz, RideLabs LLC, and Shuddle will all be required to follow the adopted changes.

Recommendations from the Task Force

Recommendation Category	Description
Safety	<ol style="list-style-type: none">a. Monitor and support State level legislation that would require shared ride service companies to participate in the DMV Employer Pull Notice Program (EPN) for all driversb. Work with the local LA Office of shared ride service companies to communicate safe drop-off and pick-up locations to both passengers

	<p>and drivers</p> <p>c. Add information to the City Website about the allowance of shared ride service vehicles in West Hollywood and tips for rider safety</p>
Fairness	<p>a. Propose partnership opportunities with the shared ride service companies to provide a community benefit, social service, or senior discount code similar to the community benefit required of taxis</p> <p>b. Support the Taxi Needs Assessment Study that will inform the 2016 RFP for taxi franchise operators within West Hollywood</p> <p>c. Support the evaluation of taxi fees as part of the July 2015 Citywide Fee study and make any appropriate adjustments to the fees as a result</p> <p>d. Initiate discussions with Westside cities regarding a regional taxi licensing program</p> <p>e. Continue ongoing engagement and discussions with taxi companies</p> <p>f. Request trip data from shared ride services similar to the trip data by zip code offered by Uber to the City of Boston for informing visitor travel data to share with Visit West Hollywood</p>
Insurance	<p>a. During the duration of the Task Force meetings AB 2293 was adopted by the California legislature which eliminated the loophole in the insurance requirements for shared ride services and resulted in several changes to insurance requirements effective July 1, 2015.</p>
Enforcement	<p>a. Explore partnering with the City of Los Angeles regarding an enforcement option with the CPUC for the greater Los Angeles region</p> <p>b. Continue enforcement regarding non-authorized vehicles parking in taxi designated loading zones</p> <p>c. Develop ongoing relationships with the shared ride service companies operating within West Hollywood</p> <p>d. Explore designating loading zones as approved locations for safe drop-off and pick-up locations for shared ride services</p>

Like TNCs themselves, the regulatory framework for overseeing shared ride service operators continues to evolve but the CPUC's regulatory authority

appears secure. As the City considers various stakeholder concerns, further issues regarding regulatory authority and enforcement may arise. Staff will continue to monitor developments in addition to the recommendations above.

Short-Term Rentals

Short-term rental regulation is within the City's authority to regulate land use. The term "short-term rental" is not currently defined in the City of West Hollywood's Municipal Code. The Zoning Ordinance, however, defines "hotel" as a "facility with guest rooms or suites, provided with or without meals or kitchen facilities, rented to the general public for overnight or other temporary lodging, typically less than 30 days." A hotel is generally not permitted within the City's residential zoning districts, thus units within residential facilities (i.e. residential rental building, condominium, or single family home) rented for short-term stays constitutes an unlawful use in the City of West Hollywood.

During the course of the Task Force meetings, staff shared with the Task Force examples from several other jurisdictions both within and outside of California regarding varying degrees of allowance of short-term rentals. The Task Force also deliberated regarding the possible allowances of short-term rentals within only select housing types (apartments, condominiums, single family homes, rent stabilized housing, inclusionary housing, and market rate housing). While some cities have approved short-term rentals with specialized permits, the impacts and concerns regarding the inability to protect the quality of life for neighboring tenants in such a densely urban environment as West Hollywood weighed heavily on the Task Force. Concerns were raised about the risks related to entire buildings being turned into short-term rental housing and the lack of existing workforce and affordable housing within West Hollywood.

Feedback from community members during the public comment period at Task Force meetings as well as feedback received on EngageWeho.com collectively shared concerns regarding noise complaints, safety of neighbors, and housing shortages within West Hollywood. The Task Force also heard from West Hollywood residents who found the ability to rent out a room or entire unit as a short-term rental to be an additional source of much needed supplemental income.

As part of the Task Force's evaluation of the possible allowance of short-term rentals, Visit West Hollywood surveyed the local hoteliers regarding the impact of short-term rentals on their business models. Many of the hoteliers commented they did not perceive short-term rentals as competition however if they were to be allowed, suggested the rentals be required to pay the City's Transient Occupancy Tax (TOT).

After careful evaluation of each housing type individually, along with the public comment received and presentations from subject matter experts, the

recommended direction was to affirm and further clarify existing regulations regarding short-term rentals within West Hollywood.

Recommendations from the Task Force

Recommendation Category	Description
Education	<ul style="list-style-type: none"> a. Recommend staff provide sample language to landlords on the City's website that may be used in lease agreements clarifying that short-term rentals are not allowed in West Hollywood b. Add an educational piece to the West Hollywood RSO Building Blocks free educational workshops outlining that short-term rentals are not allowed in West Hollywood c. Direct city staff to work with short-term rental vendors informing them that short-term rentals are not allowed within West Hollywood and requesting they add a disclaimer to their website for those searching for units and interested in listing units within West Hollywood d. Direct city staff to create an educational campaign to residents and landlords informing them that short-term rentals are not allowed in West Hollywood
Enforcement	<ul style="list-style-type: none"> a. Recommend a new city ordinance be drafted specifically speaking to the definition of short-term rentals to assist with enforcement and update the municipal code and the zoning ordinance to reflect similar language clarifying that short-term rentals are not allowed in West Hollywood b. Direct Code Enforcement staff to begin tracking noise complaints that are attributable directly to short-term rental listings when applicable

Staff will continue to monitor developments in addition to the recommendations above.

CONFORMANCE WITH VISION 2020 AND THE GOALS OF THE WEST HOLLYWOOD GENERAL PLAN:

This item is consistent with the *Primary Strategic Goal* to **Maintain the City's unique urban balance with emphasis on residential neighborhood livability** and is consistent with the *On-going Strategic Programs* of:

Promote Economic Development while Maintaining Business Vitality & Diversity and Adaptability to Future Change

General Plan Goals:

Goal M-5: Create an environmentally and financially sustainable transportation network that provides for the mobility and livability needs of West Hollywood residents, businesses and visitors.

Goal ED 1.2: Seek a balance between visitor-serving and local-serving commercial activity.

EVALUATION:

Legal Services Division staff along with the Arts and Economic Development Division staff will continue to monitor legislation at the State level regarding shared ride service operators.

Upon adoption of an ordinance, Code Enforcement Division staff will monitor and track the number of complaints and violations when applicable related to short-term rental properties and provide regular updates to the City Manager. A decrease in the number of violations over time may indicate a successful outreach campaign.

ENVIRONMENTAL SUSTAINABILITY AND HEALTH:

The City will encourage environmentally friendly practices and procedures relative to communications and civic engagement regarding Shared Economy businesses and utilize digital formats, as appropriate in outreach materials.

OFFICE OF PRIMARY RESPONSIBILITY:

City Manager's Department – Arts and Economic Development Division

FISCAL IMPACT:

There is no fiscal impact of the staff recommendations listed. Any additional labor required of City staff for the implementation or compliance with an ordinance regarding short-term rentals would be absorbed into existing work programs.