

REPORT TO CITY COUNCIL

DATE: FEBRUARY 8, 2023

TO: HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL

FROM: NATHAN HAMBURGER, CITY MANAGER

BY: DENICE THOMAS, AICP, COMMUNITY DEVELOPMENT DIRECTOR
ROBBY NESOVIC, SENIOR PLANNER

SUBJECT: ADOPTION OF ORDINANCE NO 23-467, AMENDING ARTICLE VI (TAXES; LICENSES; BUSINESS REGULATIONS) OF THE AGOURA HILLS MUNICIPAL CODE TO ADD A NEW CHAPTER 10 REGARDING SHORT-TERM RENTAL REGULATIONS AND MAKING A DETERMINATION OF EXEMPTION UNDER THE CALIFORNIA ENVIRONMENTAL QUALITY ACT

At the meeting held on January 25, 2023, the City Council, by a vote of 5-0, waived full reading and introduced Ordinance No. 23-467 regulating the operation of short-term rental businesses. Minor changes were requested by the City Council and those changes have been incorporated into Ordinance No. 23-467. The changes are also shown below in legislative format.

61002. – Application.

- I. Written verification that there are no affordability covenants or other affordability deed restrictions on the property that prohibit or limit the use of the dwelling unit as a short-term rental, including but not limited to (e.g., affordable housing regulatory agreements, and accessory dwelling unit covenants, etc.).

61004. – Operating Requirements

- E. Rental Term. Each rental term shall be no less than ~~two~~ three consecutive nights.
- H. Code of Conduct. Prior to each rental the operator shall provide each guest with a code of conduct which ~~includes occupancy limits, trash cleanup policies, parking requirements, noise limits, and a notice of potential financial penalties for violations of the code of conduct.~~ with applicable rules and regulations set forth in the Agoura Hills Municipal code in a form approved by the City Manager. The code of conduct shall also be posted on the inside of the main entrance door to the short-term rental, or on the wall adjacent to the door. The phone number of the local contact person shall also be provided in the same location as the code of conduct.
- N. All outdoor lighting that is not shielded and downward facing shall be turned off during the quiet hours period.

61008. – Appeals.

Any person dissatisfied with a decision of the director to approve, deny, or condition a short-term rental business license application may appeal the decision to the city appeal officer by filing with the city clerk an appeal petition within fifteen days of the date of mailing of the decision. Appeals shall be submitted and processed in accordance with sections 96822 through 96827 of Chapter 8 of Article VI of the Agoura Hills Municipal Code. While the appeals process is pending, the applicant, owner, and any operator are prohibited from the short-term rental of property and the short-term rental permit at issue shall not be valid.

RECOMMENDATION

Staff respectfully recommends the City Council adopt Ordinance No. 23-467.

Attachments:

- Exhibit A: Ordinance No. 23-467 (Short-Term Rental Ordinance)
- Exhibit B: Notice of Exemption

ORDINANCE NO. 23-467

AN ORDINANCE OF THE CITY OF AGOURA HILLS, CALIFORNIA, AMENDING ARTICLE VI (TAXES; LICENSES; BUSINESS REGULATIONS) OF THE AGOURA HILLS MUNICIPAL CODE TO ADD A NEW CHAPTER 10 REGARDING SHORT-TERM RENTAL REGULATIONS AND MAKING A DETERMINATION OF EXEMPTION UNDER THE CALIFORNIA ENVIRONMENTAL QUALITY ACT

WHEREAS, with the recent proliferation of short-term rental use due to the growth of internet platforms that facilitate the short-term rental of property, the City has seen an increase in short-term rental activity in the City, including related impacts.

WHEREAS, the City Council finds that short-term rental of residential property, without proper enforcement mechanisms and deterrents, has the potential to adversely impact nearby property owners due to increased traffic, noise and trash among other impacts.

WHEREAS, the City Council finds that short-term rental of residential property, without minimum operating requirements, has the potential to impact health and safety for renters and the community by increasing vacancies, reducing long term housing stock and opportunities for low and moderate income housing.

WHEREAS, the City Council finds that unregulated short-term rental of residential property creates a competitive disadvantage for hoteliers and results in a loss of transient occupancy tax.

WHEREAS, the City's municipal code is currently silent on short-term rental of residential property, making it difficult for the City to limit the impact of short-term rentals on the community, and protect public health and safety.

WHEREAS, the City Council finds that regulations on short-term rentals are necessary to ensure neighborhood compatibility, to facilitate economic growth within the City, and to protect the health, safety and general welfare of the City's residents.

WHEREAS, in accordance with the California Constitution, Article XI, Section 7, a City may make and enforce within its limits all local, police, sanitary and other ordinances and regulations not in conflict with general laws.

NOW, THEREFORE, the City Council of the City of Agoura Hills does ordain as follows:

Section 1. The facts set forth in the recitals of this Ordinance are true and correct.

Section 2. The proposed amendments are consistent with the objectives of Article 1 (General Provisions) of the Agoura Hills Municipal Code and with the General Plan. The Ordinance is consistent with Goal LU-7 of the General Plan which encourages neighborhoods that provide a variety of uses and services that support the community. The

Ordinance is consistent with Policy LU-7.12 which calls for aggressive code enforcement and nuisance abatement programs to ensure that Agoura Hills' neighborhoods remain attractive, safe, and free of public nuisances. The Ordinance is consistent with Policies LU-5.7 and LU-7.9 which call for the maintenance of the City's housing stock. Lastly, the Ordinance is consistent with General Plan Goal ED-2 by supporting continued growth of the City's economic resources to provide a high level of public services for the City's residents, visitors, and employment base.

Section 3. A new Chapter 10 (Short-Term Rental Regulations) is hereby added to Article VI (TAXES; LICENSES; BUSINESS REGULATIONS) of the Agoura Hills Municipal Code to read as follows:

“Chapter 10 – SHORT-TERM RENTAL REGULATIONS

61000. – Definitions.

For purposes of this chapter, the following definitions shall apply:

Guest means a natural person who rents a short-term rental or is an invitee of such person.

Local contact person means the owner, a local property manager, or agent of the owner, who is available 24 hours per day, seven days per week for the purpose of responding in-person within 30 minutes to complaints regarding the condition, operation, or conduct of occupants of the short-term rental, or any agent of the owner authorized by the owner to take remedial action and who responds to any violations of this code.

Occupancy means the use or possession, or the right to the use or possession, of any room or rooms or portion thereof, in any short-term rental for dwelling, lodging, or sleeping purposes.

Operator means the person who is the proprietor of the short-term rental, in any capacity. Where the operator performs their functions through a managing agent of any type or character other than an employee, the managing agent shall also be deemed an operator for the purposes of this Chapter and shall have the same duties and liabilities as their principal. The owner may also be the operator.

Owner means any person who, alone or with others, has legal or equitable title to a dwelling unit. A person whose interest in a dwelling unit is solely that of a tenant, subtenant, lessee, or sublessee under an oral or written rental housing agreement shall not be considered an owner.

Person means any individual, firm, partnership, joint venture association, social club, fraternal organization, joint stock company, corporation, estate, trust, business trust, receiver, trustee, syndicate, or any other group or combination acting as a unit.

Rent means the consideration charged, whether or not received, for the occupancy of space in a short-term rental valued in money, whether to be received in money, goods, labor or otherwise, including all receipts, cash, credits and property and services of any kind or nature, without any deduction therefrom whatsoever.

Rental Term means the period of time a guest rents or leases a short-term rental unit.

Short-Term Rental means the renting, or offer to make available, (by way of a rental agreement, lease, license, or any other means, whether oral or written) for a compensation or consideration, of residential property, a dwelling unit, or a portion thereof, for a period of thirty (30) consecutive days or less.

Special Event means temporary uses or activities which may be appropriate at specific locations but would be inappropriate on a permanent or periodic basis. Such uses or activities include, but are not limited to, weddings, outdoor celebrations, and other uses requiring a temporary use permit as defined in Agoura Hills Municipal Code Section 9678.1.

61001. – Business license required.

No person, either for themselves or any other person, shall operate a short-term rental business (or advertise, offer, or facilitate such a rental) within the City without first obtaining a business license issued pursuant to the provisions this chapter. Short-term rental business licenses shall be issued only to owners of the property to be used for a short-term rental. The Short-term rental business license shall be for a term of one year and must be renewed annually. Upon change of property ownership, the business license shall automatically expire, and the property shall not be used as a short-term rental business until the new owner is issued a valid business license.

61002. – Application.

Any person desiring a business license under the provisions of this chapter shall complete and submit a short-term rental business license application to the Planning and Community Development Department. A short-term rental business license application must include the following information:

- A. The owner's name, address, email address, and telephone number.
- B. The name, address, and telephone number of the owner's exclusive listing agent, if any.
- C. The name, address, and telephone number of the operator of the short-term rental, if any, or a statement that the owner is the operator.
- D. The name, address, and 24-hour telephone number of the local contact person and verification that the local contact person can respond in-person to the site of the short-term rental within 30 minutes.
- E. If the applicant is not the owner, a certification from the owner that the owner gives permission for the property to be used as a short-term rental by the applicant. Such certification shall be signed by the owner and notarized.

- F. The address and assessor's information number of the residential property proposed to be used as a short-term rental.
- G. The number of bedrooms and the applicable occupancy limit of the short-term rental unit.
- H. Attestation and agreement to comply with the requirements of this Chapter. Such attestation shall be signed by the applicant, and if the applicant is not the owner, by the owner.
- I. Written verification that there are no affordability covenants or other affordability deed restrictions on the property that prohibit or limit the use of the dwelling unit as a short-term rental, including but not limited to affordable housing regulatory agreements and accessory dwelling unit covenants.
- J. Executed indemnification and hold harmless agreement in a form approved by the City Attorney, agreeing to indemnify, save, protect, hold harmless, and defend the City of Agoura Hills, individually and collectively, and the City of Agoura Hills representatives, officers, officials, employees, agents, and volunteers from any and all claims, demands, damages, fines, obligations, suits, judgments, penalties, causes of action, losses, liabilities, or costs at any time received, incurred, or accrued as a result of, or arising out of the owner's actions or inaction in the operation, occupancy, use, and/or maintenance of the property.
- K. An inspection report from a third-party certified home inspector, at the owner's expense, verifying basic health and safety features are provided, including fire extinguishers, smoke detectors, and carbon monoxide detectors. The inspection report shall also describe in detail the number of bedrooms within the short-term rental, and any material defects with a system or component of the residential property that poses an unreasonable risk to people, and how the material defect has been resolved, if applicable. An inspection report must be provided at least once every three years.
- L. Such other information the Planning and Community Development Director deems reasonably necessary to administer this chapter.

61003. – Fees.

The amount of any fees to be collected pursuant to the provisions of this chapter shall be established by resolution of the City Council from time to time.

61004. – Operating Requirements.

All short-term rental businesses must comply with the following operational requirements:

- A. Transient Occupancy Tax. The owner or operator shall collect and remit transient occupancy tax to the City and comply with all City transient occupancy tax requirements as set forth in Chapter 5 of Article VI of the Agoura Hills Municipal Code.
- B. Health and Safety. The owner shall ensure that basic health and safety features are provided, including fire extinguishers, smoke detectors, and carbon monoxide detectors.

- C. Maximum Occupancy. The maximum occupancy of a short-term rental shall be limited to two people more than twice the number of bedrooms, up to a maximum of fourteen people, unless a separate permit is issued by the City to allow a special event on the property. The maximum occupancy shall not be exceeded at any time the property is rented by a guest. All guests, any invitee of any guest, owner, and any other person present on the property shall be counted when determining the level of occupancy.
- D. Minimum Age. A short-term rental unit shall not be rented to a person under the age of 18.
- E. Rental Term. Each rental term shall be no less than three consecutive nights.
- F. Local Contact. At all times that a guest is present at the short-term rental, a local contact person shall be available to answer calls from the City's complaint hotline and shall respond to any complaint by telephone within 15 minutes. If the local contact person is unable to reach the guest by telephone, or upon receiving any additional or successive complaints regarding the condition, operation, or conduct of occupants of the short-term rental, the local contact person shall respond in-person to the site of the short-term rental within 30 minutes to resolve the complaint.
- G. Noise. There shall be a quiet hours period during the hours of 10:00 p.m. to 10:00am, seven days a week, where the outdoor use of amplified noise is prohibited. In addition, during the quiet hours period all outdoor noise generated by guests of the short-term rental, as measured at the property line, shall meet the decibel limits specified in Agoura Hills Municipal Code Section 9656.2.
- H. Code of Conduct. Prior to each rental the operator shall provide each guest with a code of conduct with applicable rules and regulations set forth in the Agoura Hills Municipal code in a form approved by the City Manager. The code of conduct shall also be posted on the inside of the main entrance door to the short-term rental, or on the wall adjacent to the door. The phone number of the local contact person shall also be provided in the same location as the code of conduct.
- I. Notice of Short-Term Rental. The operator shall post a notice on the outside of the main entrance door, or on the wall adjacent to the front entrance door, which includes the phone number for the City's 24/7 complaint hotline. If the property is gated, the operator shall post the notice in a location visible to the public. The notice shall encourage members of the public to call the 24/7 complaint hotline and shall discourage the public from interacting with guests of the short-term rental.
- J. Visible Address. The address for the short-term rental property must be clearly visible from the street.
- K. Trash. Trash and refuse shall not be left stored within public view, except in proper containers for the purpose of collection on scheduled trash collection days. The owner shall provide both trash and recycling receptacles for guests. There shall be no accumulation of trash or refuse in the short-term rental property.
- L. Parking. Permitted garages and driveways on the property shall be unobstructed and made available for guest parking. In addition, each short-term rental property shall provide a minimum number of parking spaces based on the number of bedrooms as follows:

- a) 1 Bedroom Units/Studio Apartments – 1 Parking Space
- b) 2-3 Bedroom Units – 2 Parking Spaces
- c) 4 Bedroom Units – 3 Parking Spaces
- d) 5+ Bedroom Units – 4 Parking Spaces

Where conflict exists between these parking standards and the standards located elsewhere in the Agoura Hills Municipal Code, these parking standards shall prevail.

- M. Records. The operator shall keep and preserve all records necessary to demonstrate compliance with this chapter. This includes, but is not limited to, rental agreements, advertisements, online listings, guest contact information, number of guests, and the amount of rent paid. Records shall be maintained for at least 4 years and must be furnished to the City within 5 business days upon request.
- N. All outdoor lighting that is not shielded and downward facing shall be turned off during the quiet hours period.

61005. – Prohibitions.

- A. A structure may not be used as a short-term rental unit if the property has a recorded covenant, deed restriction, or agreement restricting its use, including but not limited to accessory dwelling units, junior accessory dwelling units, units constructed under the provisions of Senate Bill 9, and affordability covenants.
- B. Permits Non-Transferrable. Only operators with a valid short-term rental business license and transient occupancy registration certificate may advertise and rent a residential unit as a short-term rental unit.
- C. Special events exceeding occupancy limits or noise standards are prohibited unless specifically allowed under a separate permit issued by the Planning and Community Development Department.
- D. A person may operate but may not be the owner of more than one short-term rental unit within the City limits.
- E. No person shall offer, facilitate an offer, or allow short-term rental of property in any location not specifically identified and approved on a short-term rental permit or in a location not approved for use as a dwelling unit including, but not limited to, any vehicle, trailer, tent, storage shed or garage.
- F. No person, including without limitation, an owner, operator (including a property manager), or a representative of the owner or operator, shall evict any tenant or otherwise terminate a lease for the purpose of converting a dwelling unit to a short-term rental.

61006. – Grounds for denial or permit revocation.

The Planning and Community Development Director or their designee shall not approve an application for a short-term rental business license (or renewal of such license), and may revoke such license if any of the following findings are made:

- A. The owner or operator has not paid all transient occupancy tax due or is not in compliance with Chapter 5 of Article VI of the Agoura Hills Municipal Code.

- B. The property has outstanding code enforcement violations.
- C. An inspection report exposed a material defect with a system or component of the residential property that poses an unreasonable risk to people, and the material defect has not been remedied.
- D. The owner or applicant has knowingly made any false, misleading or fraudulent statement of material fact in the application, or in any report or statement required to be filed that is related to the application.
- E. The property has received three or more confirmed violations within a twelve-month period.
- F. The property that is the subject of the application is not in a condition where it may be immediately rented on a short-term basis consistent with the requirements of this chapter.
- G. The applicant or owner is found to have committed a crime involving moral turpitude that is substantially related to the business activity for which the business license is being sought.
- H. The business or the activities or conduct of the business at the proposed location is prohibited by any provisions of this Chapter or any local state or federal law, statute, rule, or regulation.
- I. The building, structure, premises, or the equipment used to conduct the business activity fails to comply with all applicable health, zoning, fire, building and safety laws of the state of California or the City of Agoura Hills.
- J. The prescribed fees for the business license have not been paid.
- K. Delinquent business license fees or renewal fees have not been paid.

If a short-term rental business license is denied or revoked the short-term rental of the property must cease immediately and the owner, operator, or applicant for the denied or revoked short-term rental business license shall not be issued a new short-term rental business license for a minimum of twelve months from the date of the denial or revocation. No fee refunds shall be issued to any permittee whose short-term rental permit is denied or revoked.

61007. – Permit issuance.

The Planning and Community Development Director or their designee shall issue a short-term rental business license following the submittal of a complete application if the director or their designee finds that the property and business comply with sections 61002, 61003, 61004, 61005, and 61006 above, and all applicable fees have been paid.

61008. – Appeals.

Any person dissatisfied with a decision of the director to approve, deny, or condition a short-term rental business license application may appeal the decision to the city appeal officer by filing with the city clerk an appeal petition within fifteen days of the date of mailing of the decision. Appeals shall be submitted and processed in accordance with sections 6822 through 6827 of Chapter 8 of Article VI of the Agoura Hills Municipal Code. While the appeals

process is pending, the applicant, owner, and any operator are prohibited from the short-term rental of property and the short-term rental permit at issue shall not be valid.

61009. – Enforcement, violations, and penalties.

For the purposes of this Chapter, a violation shall be issued if substantial evidence exists which proves that a short-term rental business is not operating in compliance with the provisions contained in sections 61004 or 61005 of this Chapter (Operating Requirements and Prohibitions).

- A. Violations of this Chapter shall be subject to the administrative citation provisions of Chapter 5 of Article I of the Agoura Hills Municipal Code, except that any violation of this Chapter shall be subject to a fine equal to twice the advertised short-term rental's daily rental rate per day in violation. Each subsequent violation within a twelve-month period will double the previous fine amount.
- B. Short-term rental businesses operating prior to the effective date of this Ordinance must obtain a business license within 90 calendar days of the effective date. Existing businesses which do not obtain a business license within the 90-day timeframe must immediately cease the operation of the short-term rental business. It will be considered a violation of this Chapter if an existing short-term rental business continues to operate after the 90th calendar day without obtaining a business license.
- C. The owner and, if any, the operator of the short-term rental property shall be held responsible for violations of the municipal code committed by guests at the property.
- D. Any violations of this Chapter shall constitute a separate offense for each day the violation occurs or persists.
- E. These penalties are cumulative and are in addition to any other penalties and remedies available to the City.

Section 4. CEQA. The City Council finds and determines that this Ordinance is exempt from the requirements of the California Environmental Quality Act (CEQA) pursuant to section 15061(b)(3) of the CEQA Guidelines because it can be seen with certainty that the provisions contained herein would not have the potential for causing a significant effect on the environment. The Ordinance imposes regulations that limit the environmental impacts of residential use of property compared to those currently in place. The Ordinance is also exempt pursuant to Section 15301 (Existing Facilities) of the CEQA Guidelines since the Ordinance does not propose any provisions which would require an expansion of an existing or former use.

Section 5. Severability Clause. If any section, subsection, subdivision, paragraph, sentence, clause or phrase of this Ordinance or its application to any person or circumstances, is for any reason held to be invalid or unenforceable by a court of competent jurisdiction, such invalidity or unenforceability shall not affect the validity or enforceability of the remaining sections, subsections, subdivisions, paragraphs, sentences, clauses or phrases of this Ordinance, or its application to any other person or circumstance. The City

Council declares that it would have adopted each section, subsections, subdivision, paragraph, sentence, clause, phrase hereof, irrespective of the fact that any one or more sections, subsections, subdivisions, paragraphs, sentences, clauses or phrases hereof be declared invalid or unenforceable.

Section 6. Effective Date. This Ordinance shall take effect thirty (30) days after passage.

Section 7. Certification. The Mayor shall sign and the City Clerk shall certify to the passage and adoption of this Ordinance and shall cause the same or a summary thereof to be published and posted in the manner required by law.

PASSED, APPROVED, AND ADOPTED this ___ day of _____, 2023, by the following vote to wit:

AYES: (
NOES: (
ABSENT: (
ABSTAIN: (
)

Chris Anstead, Mayor

ATTEST:

Kimberly M. Rodrigues, MMC, City Clerk

APPROVED AS TO FORM:

Candice K. Lee, City Attorney



**LOS ANGELES COUNTY CLERK
CEQA FILING COVER SHEET**

THIS SPACE FOR CLERK'S USE ONLY

Complete and attach this form to each CEQA Notice filed with the County Clerk

TYPE OR PRINT CLEARLY

Project Title

An ordinance of the City of Agoura Hills, California, amending Article VI (Taxes; Licenses; Business Regulations) of the Agoura Hills Municipal Code to add a new Chapter 10 regarding short-term rental regulations.

Check Document being Filed:

- Environmental Impact Report (EIR)
- Mitigated Negative Declaration (MND) or Negative Declaration (ND)
- Notice of Exemption (NOE)
- Other (Please fill in type):

Notice of Exemption

To: Office of Planning and Research
1400 Tenth Street, Room 121
Sacramento, Ca 95814

From: City of Agoura Hills
30001 Ladyface Court
Agoura Hills, California 91301

County Clerk
County of Los Angeles
Los Angeles County Clerk
12400 E. Imperial Hwy.
Norwalk, CA 905690

Project Title: An ordinance of the City of Agoura Hills, California, amending Article VI (Taxes; Licenses; Business Regulations) of the Agoura Hills Municipal Code to add a new Chapter 10 regarding short-term rental regulations.

Project Location-Specific: Citywide

Project Location-City: City of Agoura Hills

Project Location-County: Los Angeles

Description of Nature, Purpose, and Beneficiaries of Project: The short-term rental ordinance enacts legislation to regulate the short-term rental of residential property and establishes fees for short-term rental business license applications.

Name of Public Agency Approving Project: City of Agoura Hills

Name of Person or Agency Carrying Out Project: City of Agoura Hills
30001 Ladyface Court
Agoura Hills, California 91301

Exempt Status: (Check One)

- Statutory Exemption (14 Cal. Code of Regs. Sections 15260 et seq.);
- No Possibility of physical impact. (14 Cal Code of Regs. Section 15061 (b)(3));
- Ministerial (14 Cal Code of Regs. Sec. 15268);
- Declared Emergency (14 Cal Code of Regs. Sec. 15269(a);
- Emergency Project (14 Cal Code of Regs Sec. 15269(b),(c), (d) and (e));
- Categorical Exemption (14 Cal Code of Regs. Sections 15300 et seq.) State of California CEQA Guidelines Section 15301

Reasons why project is exempt: The City Council finds and determines that this ordinance is exempt from the requirements of the California Environmental Quality Act (CEQA) because it can be seen with certainty that the provisions contained in the ordinance would not have the potential for causing a significant effect of the environment, since it imposes regulations that limit the environmental impact of residential use of property compared to regulations currently in place. The ordinance is also exempt pursuant to Section 15301 since it does not propose any provisions which would require an expansion of an existing or former use.

Lead Agency Contact Person: Robby Nesovic, Senior Planner

Area Code/Telephone/Extension: (818) 597-7310

Signature: _____

Date: _____

Title: _____