

**CITY OF HERMOSA BEACH  
COMMUNITY DEVELOPMENT DEPARTMENT**

**MEMORANDUM**

**Date:** March 29, 2007

**To:** Sol Blumenfeld, Director

**From:** Christopher W. Wilson, Planning Division Intern  
Community Development Department

**Subject:** **TEXT AMENDMENT IN REGARD TO TRANSIENT  
OCCUPANCY FOR RESIDENTIALLY ZONED  
PROPERTY**

**Recommendation**

To direct Staff as deemed appropriate

**Background / Analysis**

Per request of the City Manager, staff has conducted research on a potential Text Amendment to allow vacation rental of residentially zoned property. The following cities have been identified as areas that allow transient lodging within residentially zoned areas: **Solana Beach, Newport Beach, Encinitas, Catalina Island (Avalon), Monterrey, Laguna Beach, Cayucos, Carmel, Cambria and Big Bear Lake**. Such cities have identified short term vacation housing to mean the occupancy of a housing unit for a period of thirty (30) consecutive calendar days or less, or in cities such as Cambria, Carmel and Cayucos the occupancy of housing units for a period of seven (7) consecutive calendar days or less. A majority of the cities mentioned, do not require a Conditional Use Permit, yet require Zone Clearance to operate transient rental units; additionally Encinitas, Solana Beach and Newport Beach require a short term lodging permit to operate transient rental units. Within each of the cities mentioned above, the regulation of short term vacation housing is used to provide additional transient occupancy tax, while making home owners and rental agents responsible for impacts that may arise in residential areas that are a result of occupancies of short term lodging units.

**Attachments:**

1. Vacation Rental Matrix

F:\B95\CD\CHRIS\Transient occupancy memo

## Vacation Rental Matrix

City	CUP Required	Zone	Annual Inspection Required	Occupancy	Duration
1 Big Bear Lake	Yes	R-1, R-2, R-3	Yes	1 per 200 sq. ft. of building area excluding garages, but shall not exceed 16 people	Not less than one (1) night or more than thirty (30) days
Catalina Island (Avalon)	Yes	All zones that permit residential uses	N/A (Permit must be renewed every 2 years)	Shall not exceed the limits set forth in the California Uniform Housing Code	Not less than one (1) night or more than thirty (30) days
Cambria	No (Zoning Clearance Only)	Within all Residential Land Use Categories	N/A	Shall not exceed the number of occupants that can be accommodated consistent with the on-site parking requirements; and shall not exceed two persons per bedroom plus two additional persons	Shall not exceed one (1) individual tenancy with seven (7) consecutive calendar days. No additional occupancy (with the exception of the property owner) shall occur within that seven (7) day period.
2 Carmel	No (Zoning Clearance Only)	Within all Residential Land Use Categories	N/A	Shall not exceed the number of occupants that can be accommodated consistent with the on-site parking requirements; and shall not exceed two persons per bedroom plus two additional persons	Shall not exceed one (1) individual tenancy with seven (7) consecutive calendar days. No additional occupancy (with the exception of the property owner) shall occur within that seven (7) day period.
Cayucos	No (Zoning Clearance Only)	Within all Residential Land Use Categories	N/A	Shall not exceed the number of occupants that can be accommodated consistent with the on-site parking requirements; and shall not exceed two persons per bedroom plus two additional persons	Shall not exceed one (1) individual tenancy with seven (7) consecutive calendar days. No additional occupancy (with the exception of the property owner) shall occur within that seven (7) day period.
Laguna Beach	No (Administrative Review Only)	R-1, R-2, R-3, LB/P, C-N, C-1, CH-M, VC	N/A	Shall not exceed that permitted by the provisions of Title 14 (Building and Construction) and 15 (Fire) of the L.B.M.C.	Not less than one (1) night or more than thirty (30) days
Monterrey	No (Administrative Review Only)	All zones that permit residential uses	Yes	Shall not exceed the limits set forth in the California Uniform Housing Code	Minimum of seven (7) days
3 Encinitas	(Short term Rental permit required)	All zones that permit residential uses	Yes (Permit must be renewed annually)	Shall not exceed the number of occupants that can be accommodated consistent with the on-site parking requirements; and shall not exceed two persons per bedroom plus one additional person per dwelling unit	Not less than one (1) night or more than thirty (30) days
Solana Beach	(Short term vacation Rental permit required)	All zones that permit residential uses	N/A (Permit must be renewed annually)	Shall not exceed the limits set forth in the California Health & Safety Code. 17992(a) (1) (b)	Minimum of seven (7) days and no more than (30) consecutive days
Newport beach	(Short term Lodging permit required)	All zones that permit residential uses	N/A	Shall not exceed the limits set forth in the California Uniform Housing Code	(30) Consecutive calendar days or less

All are Subject to Transient Occupancy Tax per Unit

1. Requires CUP
2. Requires Zone Clearance
3. Requires Administrative review/ Lodging Permit/

Permit\hbapps01\vol1\B95\CD\CHRIS\Vacation Rentals Matrix.xls

8. **MISCELLANEOUS ITEMS AND REPORTS - CITY COUNCIL** - None
9. **OTHER MATTERS - CITY COUNCIL**
  - a. **Request from Councilman Reviczky to consider amending the Zoning Code to allow weekly vacation rentals.**

**Action:** Council consensus was to agendaize for discussion at a future Council meeting.

**ANNOUNCEMENT IN OPEN SESSION OF ITEMS TO BE DISCUSSED IN CLOSED SESSION AS FOLLOWS:**

City Manager Burrell said that an item needed to be added to the Closed Session concerning the Macpherson case, noting that the matter came up after the agenda was posted.

**Action:** To add to the Closed Session agenda a discussion of the Macpherson case, based on the findings that the issue arose after the posting of the agenda and required immediate action.

Motion Keegan, second Reviczky. The motion carried by a unanimous vote.

1. **APPROVAL OF MINUTES:**
  - a. **Closed Session meeting held on May 9, 2006;**
  - b. **Closed Session meeting held on June 1, 2006;** and
  - c. **Closed Session meeting held on June 6, 2006.**

2. **CONFERENCE WITH LEGAL COUNSEL**

The City Council finds, based on advice from legal counsel, that discussion in open session will prejudice the position of the City in the litigation.

**Existing Litigation: Government Code Section 54956.9(a)**

**Name of Case:** Philia Five Group, LLC dba The Union Cattle Company  
**Case Number:** YS015070

**Threatened Litigation: Government Code Section 54956.9(b)**  
(One item added this evening)

3. **LIABILITY CLAIMS**  
**Government Code Section 54956.95**

**Claimant:** Gary Brutsch and Tina Williams  
**Claim Against:** City of Hermosa Beach

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MEMORANDUM

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TO: STEVE BURRELL, CITY MANAGER  
FROM: SOL BLUMENFELD, ~~Director~~ DIRECTOR COMMUNITY DEVELOPMENT  
SUBJECT: REVIEW OF TRANSIENT OCCUPANCY IN RESIDENTIAL ZONES  
DATE: 3/28/07

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Per your request, we have researched cities that allow short-term occupancy for vacation rental of residentially zoned property. Short-term generally means not less than 1 night or more than 7 days, although some cities classify short-term for up to 30 days. Of the 10 cities identified, only two require a CUP, but most allow it by right and three just have an administrative review by staff. If the City Council wanted to allow transient occupancy in the residential zones, we would have to amend our definition of transient occupancy and included it as a permitted use in the residential zones. This may affect our definition of hotels and motels too. I don't recommend this change since it creates residential neighborhood conflicts.