Agenda Item No. 12.A Section: DEPARTMENTAL ITEMS - COMMUNITY DEVELOPMENT

Meeting Date: November 8, 2022

TO: THE HONORABLE MAYOR AND MEMBERS OF THE GARDENA CITY COUNCIL

#### **AGENDA TITLE:**

Short Term Rentals for Lodging in the City

## **COUNCIL ACTION REQUIRED:**

Staff Recommendation: Staff respectfully recommends that the City Council provide direction to staff to draft an ordinance.

#### **RECOMMENDATION AND STAFF SUMMARY:**

Since August 2022, the City Council has held several meetings to discuss various policy options for short term rentals (STRs) within the City. During this time the City acquired the services of Deckard Technologies/Rentalscape to provide important information regarding STRs that currently exist in the City.

On September 27, 2022, staff presented preliminary data on the number of properties with current listings on various online platforms. However, staff had noted that the analysis of the identified listings were still being conducted. Therefore, at the September 27, 2022, a motion was made to reschedule the discussion to the first meeting in November, when the entire data from Rentalscape could be presented.

At this time the analysis has been completed and the the data collected by Rentalscape is provided in the attached staff report.

#### **FINANCIAL IMPACT/COST:**

N/A

## **ATTACHMENTS:**

STRs Staff Report.pdf
Mapping of Listings - Rentalscape.pdf
Rentalscape Data .pdf

APPROVED:

Clint Osorio, City Manager

Cleurom .



# AGENDA STAFF REPORT

## **AGENDA TITLE:**

Short Term Rentals for Lodging Discussion

### **RECOMMENDATION:**

Provide direction to staff to draft an ordinance.

### BACKGROUND:

Since August 2022, the City Council has held several meetings to discuss various policy options for short term rentals (STRs) within the City. During this time the City acquired the services of Deckard Technologies/Rentalscape to provide important information regarding STRs that currently exist in the City.

On September 27, 2022, staff presented preliminary data on the number of properties with current listings on various online platforms. However, staff had noted that the analysis of the identified listings were still being conducted. Therefore, at the September 27, 2022, a motion was made to reschedule the discussion to the first meeting in November, when the entire data from Rentalscape could be presented.

At this time the analysis has been completed and the following information and charts were created with the data collected by Rentalscape to provide context to the types of STRs there are currently in the City.

#### **EXISTING STRS IN THE CITY**

Over the past 12-month period, 74 properties within the City have been identified to have at least one listing for a STR (Attachment A – Mapping of Listings). Between the 74 properties there was a total of 180 listings throughout the various online platforms. The number of listings is greater than the number of properties due largely in part to there being multiple rooms advertised within a whole unit. Additionally, many rentals will list on more than one platform at a time.

The following charts summarizes the data obtained from Rentalscape:

Owner-Occupied – The majority of the properties that were identified to have a STR listing showed to be non-owner-occupied, meaning the owner of the rental space would generally not present on-site during the rental period.

Number of Owner vs. Non-Owner Occupied Properties	
Non-owner occupied	46
Owner occupied	28

<u>Zones</u> – A majority of the properties were located in the Single-Family Residential zone (R-1), while two properties were located in zones that do not allow for residential uses (i.e., Commercial, Industrial), and would be considered legal nonconforming residential units.

Zone	
R1 (Single-Family)	45
R2 (Low Density Res.)	8
R3 (Med. Density Multi-Family Res.)	14
R4 (High Density Multi-Family Res.)	3
Specific Plan (residential)	2
M1	1
C3	1

<u>Residential Property Types</u> – Most of the listings were located within traditional single-family residential dwelling units, with some listings located within attached condominiums. There were 11 listings that were advertised as rentals of Accessory Dwelling Units (ADUs).

Property Type	
Single-Family Residential	42
ADU on a Single-family Residential Property	10
Condominiums	10
Duplex Residential	5
Multifamily (three or more units)	6
ADU on a Multi-Family Residential Property	1

<u>Rental Types</u> – The types of rentals were split between listings for rentals of rooms within a unit with shared living areas, and rentals of whole units, including those listed as ADUs. Under the City's ADU provisions, ADUs are not supposed to be used for STRs.

Rental type	
Whole Unit	37
Room within Unit	26
Guest House (ADUs)	11

<u>Parking</u> – Out of the 180 listings in the City, 157 listings were advertised as having available parking, either on-site or by street parking.

Advertised Parking	
Onsite Parking Provided	77
Street Parking Identified	80
N/A	23

Rentalscape's data also showed that the average daily rate for an STR in the City is currently \$132 per night. Further data from Rentalscape is provided under Attachment B.

#### **REGULATIONS**

Aside from requiring obtaining proper licensing and registration permits, various options and possible provisions would need to be considered when regulating STRs in the City, such as the following:

- 1. Limiting the type of properties/zones
  - o Which types of homes to allow STRs in?
    - Single family home, duplexes, apartments
    - As mentioned above that no home which has an ADU or SB 9 unit may be used for STRs. Home sharing, i.e., a room rental while the owner is on premises, *may* be allowed.
  - O Which zones to allow STRs in?
    - R-1, R-2, R-3, R-4, H-B, C-R, MUO, New Housing Overlays
    - Allowed/Not Allowed on legal nonconforming properties

- 2. Limit the number of total STRs in the City at any one time
  - If this option were chosen, then how to choose: first come first serve until they are filled; deadlines with a lottery; reapply every number of years to give other people a chance
- 3. Allowing home share only owner must be present during rental
  - Home-sharing may be defined as renting one or more bedrooms in a primary residence for 30 or fewer consecutive days
- 4. Require that this be person's primary residence
  - What would the minimum occupancy period be to establish primary residence – some cities are as low as 60 days – others require 270 days
- 5. Limiting the number of rental days allowed per year, per applicant
- 6. Limiting the number of STRs one person can have even if through a corporation
- 7. Others:
  - Limiting the number of people per bedroom
  - Require insurance coverage
  - Requiring minimum night stay
  - Parking requirements
  - Posting contact information
  - Allowing subleasing of rental units
  - Logging license plate numbers of short-term renters

## Conclusion

Staff recommends the City Council provide direction to staff to draft an ordinance.

Submitted by: Greg Tsujiuchi Date: November 3, 2022

Prepared by: Amanda Acuna

#### Attachments:

- A. Map of Lisitngs in Gardena from Rentalscape
- B. Data from Rentalscape

# Rentalscape Mapping of STRs in Gardena









