



Minutes

Lakewood City Council

Adjourned Regular Meeting held
May 22, 2018

MEETING WAS CALLED TO ORDER at 6:01 p.m. by Mayor Croft in the Executive Board Room at the Civic Center, 5000 Clark Avenue, Lakewood, California.

ROLL CALL: PRESENT: Mayor Steve Croft
Vice Mayor Todd Rogers
Council Member Diane DuBois
Council Member Ron Piazza
Council Member Jeff Wood

SHORT-TERM/HOME-SHARE RENTALS

Thaddeus McCormack, City Manager, provided a brief background on a previous study session related to short-term and home-share rentals.

Sonia Southwell, Director of Community Development displayed slides and gave a presentation based on the report in the agenda. She provided a brief history on short term rental businesses in the City. She explained the need for regulations of short-term rentals in Lakewood. She noted that to date there had only been one residence with a confirmed complaint raised about the operation of a short-term rental business. However, both whole house and home share rentals had shared the potential to bring problems to established single-family residential neighborhoods without proper regulations. Such regulations would reduce or prohibit problems identified in other jurisdictions such as: “party house” rentals, non-compliance with parking, litter, street sweeping and trash day regulations. The requirement for a Transient Occupancy Tax could partially offset additional municipal expenses created by the operation of the short-term rental businesses and their guests. Registration of guests would allow identification of guests for public safety and health emergency situations. A short-term rental ordinance could contain regulations such as a ban on the short-term rentals of whole homes; requiring home-share short-term rentals of one or more rooms to be only within owner-occupied residences; limiting the rental of any rooms in any one house to be no more than ninety days collectively in any calendar year; requiring all parking for a home share short-term rental operation be provided on site; requiring the home share residence to be in full compliance with all building codes and the Municipal Code; requiring a business license for a short-term rental business; requiring short-term rentals be subject to the established Transient Occupancy of eight percent and a \$100 annual business license fee; and requiring short-term rental operators to have their guests register with identification, similar to a hotel or motel. It should be noted that rental of rooms within a home for more than thirty days would not be subject to these restrictions, as they were allowed by the Municipal Code. She stated that staff recommended that the City Council instruct staff on whether to proceed with preparation of a Short-term Rental Ordinance for consideration by the Planning and Environment Commission and to provide staff direction as to the appropriate elements of such regulation.

SHORT-TERM/HOME-SHARE RENTALS - Continued

Responding to questions from Council Member DuBois, Ms. Southwell stated that stays up to thirty days were considered short-term rentals and that summer rentals in the area were most likely either due to activities occurring in Lakewood such as for family-oriented events or due to the City's proximity to local amusement parks.

Ms. Southwell explained that specific address information was not provided when searching for locations from short-term rental websites, such as AirBnB, and that despite bans on such rentals in some cities, search results for those cities still yielded available rentals.

Ms. Southwell confirmed for Vice Mayor Rogers that there were various websites showing short-term rental listings with some duplication on competing sites but not by a significant number.

Mr. McCormack reported having met with a few companies, such as HdL, who collected the transient occupancy tax and had conducted outreach to the rental sites and found the numbers of rental locations to be consistent among the sites. He also provided clarification on the recommended actions which were to limit the number of rentals to ninety days, requiring the rental to be owner occupied and ensuring sufficient onsite parking for people renting such rooms.

Mr. McCormack responded to an inquiry from Council Member Wood regarding the number considered to be sufficient parking by stating that it would be one parking space per room rental.

Mayor Croft concurred with the suggestion that the renters be required to park on the driveway at the property.

Council Member Piazza raised concerns regarding the challenges of enforcing any potential regulations related to short-term rentals. Mr. McCormack replied by stating that should regulations be enacted, companies, like HDL and others providing such services by contract, could track and verify the businesses who were registered on those sites and that if there were discrepancies, would seek compliance. He added that Code Enforcement Officers would likely respond to complaints about problem sites.

Steve Skolnik, Office of the City Attorney, responded to inquiries from Council Member Piazza by stating that short-term rentals were occurring regardless of whether cities regulated them and opined that such rental activity was likely to continue whether disallowed or not.

Mr. Skolnik confirmed for Vice Mayor Rogers that, as conceived, the maximum of ninety days would be the total for the year regardless of the number of rooms being rented but that it would be up to the discretion of the City Council.

SHORT-TERM/HOME-SHARE RENTALS - Continued

Vice Mayor Rogers stated that since responses to code violations were complaint based, regulations should be enacted to enable enforcement. Mr. McCormack stated that an ordinance had been prepared in draft form which included some of the suggested regulations such as collection of the transient occupancy tax; requiring a business license and any other regulatory permits that were applicable; and the requirement for 24/7 owner contact information.

Council Member Wood inquired about anticipated revenue and the number of complaints received to date. Mr. McCormack stated that by limiting the number of rentals to ninety days, the dollar amount would be less than had been estimated using numbers from current rental activity. Ms. Southwell responded that two complaints had been received.

Council Member Wood expressed concerns that there seemed to be no advantage to the City allowing such rentals and asked whether it would be permissive if not in the code. Mr. Skolnik stated that from a zoning standpoint, if it were the City Council's decision to disallow them, he recommended that an ordinance be written and adopted enacting such a regulation to avoid any ambiguity.

Mr. McCormack explained that even if such an ordinance were adopted, short-term rental activity would still occur. He cited as an example that the City of Cerritos banned such rentals and found that in searching sites like AirBnB, there were a number of listings in Cerritos.

In response to Council Member Piazza's questions regarding code enforcement costs, Mr. McCormack replied that at the current level of activity, there would be more than enough to offset them.

Vice Mayor Rogers concurred with Council Member Wood's suggestion to look into scheduling of code enforcement officers during the off Fridays and weekends when some violations occurred.

Sally and Larry Hill, Lakewood, addressed the City Council regarding the increased number of rentals at a neighboring location citing issues with the owner not being onsite; guest arrivals at all hours of the day and night; and street parking issues.

Mayor Croft enumerated the items to be included in the ordinance such as the ninety day limit, owner-occupied; specify that whole house rentals would not be allowed; off street parking for guests; including business license and transient occupancy tax regulations; and requiring 24/7 contact information.

Ms. Southwell stated that the ordinance would be prepared and presented initially to the Planning and Environment Commission and then to the City Council for consideration.

Mayor Croft instructed that Mr. and Mrs. Hill be notified of the Planning and Environment Commission hearing date.

ACCESSORY DWELLING UNITS

The City Manager briefly summarized the State's actions related to accessory dwelling units (ADU).

The Community Development Director displayed slides and made a presentation based on the report in the agenda. She reported that the Community Development Department had received over sixty ADU related inquiries since passage of the first ADU law. There were two ADUs under construction and more had been reviewed by the Development Review Board or were currently in plan check. In reviewing the ADU plans submitted to the City, staff had observed several shortcomings that would be detrimental to the community if development of ADUs were allowed to continue without proper development standards. She outlined some of the primary concerns that could be corrected with the adoption of an ordinance, which would establish development standards for ADUs, including ADUs would be subject to review by the Development Review Board for design and architectural compatibility; ADUs would only be allowed on a lot with a properly permitted owner-occupied dwelling unit; no part of an ADU would be allowed on the upper floor of a two-story accessory structure; the minimum lot size currently in the code was not allowed by the State and the ordinance would ask that the sites that add an ADU comply with the minimum lot size currently existing on the code for new single family residences; the minimum floor area would be 460 feet, which was the minimum size the city currently requires for a senior apartment; the maximum floor area would be 1,200 square feet for a detached ADU, or if attached, no more than 50% of the existing home and attached ADUs should have a separate exterior entrance from the primary residence; the primary residence should be required to maintain two off-street parking spaces; ADUs should be required to have 650 square feet of contiguous and useable open space in addition to the 750 square feet for the primary residence, with minimum dimensions of 10 feet; for units that were rented or leased, there should be a minimum rental period of not less than 30 days to discourage ADUs from being used as short-term rentals; and a Notice of Condition could be required to be recorded documenting the conditions for an ADU and to notify future homebuyers that the property must be owner-occupied. She concluded by stating that staff recommended that the City Council instruct staff to proceed with preparation of an Accessory Dwelling Unit Ordinance for consideration by the Planning and Environment Commission.

Ms. Southwell confirmed for Mr. McCormack that current regulations allowed for 45% lot coverage.

Recognizing that such units could not be prohibited, Mr. Skolnik stated that staff was operating under the assumption that the intent would be to minimize the impact that these units were likely to add and that would be the action taken unless otherwise directed.

Mayor Croft concurred by stating that he felt such units would be detrimental to the neighborhoods and quality of life.

Ms. Southwell stated that it was proposed that prior to construction of these units that the applicant would have to show adequate sewer, water and electricity capacity as well as fire flow.

ACCESSORY DWELLING UNITS - Continued

Ms. Southwell confirmed for Vice Mayor Rogers that such an addition triggered a reassessment for property tax purposes and that fee recovery might be possible with regard to the additional impacts to the infrastructure by including such a requirement in the ordinance.

Lisa Rapp, Director of Public Works, stated that in terms of the electricity issue, such additions would have an impact to the electrical grid.

Council Member Wood expressed the need to be open minded and cited the potential benefit for those with aging parents that such units would allow their parents some independence while being close in proximity.

Mayor Croft stated that having not heard any objections from the City Council, he suggested that staff move forward with drafting an ordinance which included the minimizing factors.

MISCELLANEOUS AFFORDABLE HOUSING ISSUES

The City Manager explained that the properties owned by the Housing Successor Agency were purchased with housing funds, and, therefore, required that they be purposed for affordable housing. The properties were zoned multi-family and a proposal had been received from Habitat for Humanity for two of those sites. At one of the sites, Habitat owned the adjacent property. He stated that it was requested that the City Council provide direction for staff.

The Community Development Director displayed slides and highlighted the proposal submitted by Habitat for Humanity.

Council Member Wood inquired whether the Habitat for Humanity mission had changed regarding the involvement of community volunteers in the building of the project. Patrick McGuckian, Assistant Director of Community Development, stated that part of their proposal included use of the “sweat equity” from the people who would be buying the homes so they would be assisting in the construction.

Ms. Southwell confirmed for Council Member Piazza that the property could not be sold because of the way it had been procured.

Responding to a question from Council Member DuBois, Ms. Southwell stated that there were other companies besides Habitat for Humanity who provided affordable housing options.

Mr. Skolnik responded to questions from Mayor Croft and Council Member Piazza by stating that no one would be able to develop the properties with the income restrictions and without the land being donated. He added that if a more favorable proposal were received, the quality of the build might suffer.

MISCELLANEOUS AFFORDABLE HOUSING ISSUES - Continued

Council Member Wood concurred with Council Member Piazza who stated that they should ensure obtaining the best deal possible for the residents.

Mr. Skolnik stated that what Habitat for Humanity had to add that no one else did was that they owned the adjacent property.

Assistant Planner Paul Kuykendall explained that part of Habitat's requirement in their acquisition of that property was to keep the existing structure and they were proposing to use it as a rec room rather than as a residence for the project.

Mayor Croft stated that after the request for proposals were distributed, Habitat could submit a proposal and their submission could be evaluated as one of the options, and, if no other proposals were submitted, then the decision would be made that much easier.

At 7:26 p.m., the Adjourned Regular Meeting of the City Council was recessed for the Regular Meeting of the City Council. At 8:30 p.m., the Adjourned Regular Meeting of the City Council was reconvened.

CLOSED SESSION:

At 8:30 p.m., Mayor Croft announced that the City Council would recess to a closed session.

CONFERENCE WITH LABOR NEGOTIATORS – Pursuant to Govt. Code §54957.6

Designated Representative: City Manager, City Attorney, Director of Administrative Services, Assistant to the City Manager, Human Resources Manager
Employee Organization: Lakewood City Employees' Association

At 9:05 p.m., the City Council reconvened and the City Attorney advised that there was no action to announce.

ADJOURNMENT

There being no further business to be brought before the City Council, Mayor Croft adjourned the meeting at 9:05 p.m. to Tuesday, June 5, 2018, at 6:00 p.m. in the Executive
Respectfully submitted,

Jo Mayberry, CMC
City Clerk