

**CITY OF LAKEWOOD
PLANNING AND ENVIRONMENT COMMISSION
MEETING OF APRIL 6, 2023
MINUTES**

CALL TO ORDER

A regular meeting of the Lakewood Planning and Environment Commission was called to order by Chairperson Baca at 7:00 p.m. in the City Council Chambers, 5000 Clark Avenue, Lakewood, California.

PLEDGE OF ALLEGIANCE

Commissioner Vicki Stuckey led the Pledge of Allegiance.

ROLL CALL: Chairperson Baca
 Vice Chairperson Ung
 Commissioner Cole
 Commissioner Samaniego
 Commissioner Stuckey

Also present: Abel Avalos, Director of Community Development
 Jose Gomez, Director of Finance and Administrative Services
 Patrick McGuckian, Assistant Director of Community Development
 Paul Kuykendall, Senior Planner
 Carolyn Lehouillier, Housing Specialist
 Frankie Griffiths, Assistant Planner
 Andrew Camacho, Administrative Services Manager
 Ivy Tsai, City Attorney
 Cindy Kojaku, Administrative Secretary

APPROVAL OF MINUTES

There being no objections, Chairperson Baca ordered the Minutes of the Regular Meeting of March 2, 2023, approved as submitted.

ANNOUNCEMENTS AND PRESENTATIONS

Community Development Director Abel Avalos discussed packet distribution, and he announced that April is "Donate Life" Month; that the new Farmer's Market is adjacent to City Hall; and that Volunteer Day is April 15, 2023.

PUBLIC HEARINGS:

1. **Ordinance Pertaining to Short-Term Rentals**

Administrative Services Manager, Andrew Camacho, presented the proposed Ordinance the related staff report, power point presentation and the proposed resolution recommending approval of the ordinance to the City Council, all of which are on file with the Community Development Department. The proposed ordinance will prohibit Short-Term Rentals; specifically short-term vacation rentals for less than 30 days pointing out this will not impact people renting houses or ADUs for greater than 31 days or longer.

As background, the original Ordinance 2018-7 passed in October 2018, banned whole home rentals and limited rental nights to 90 and prohibited ADUs or any portion of an ADU from being used as a short-term vacation rental. Since its adoption, there have been six licensed operators; one has since dropped out; five are still active. As Airbnbs get more popular, there are ongoing enforcement issues. There are five licensed, and all have had problems with parking compliance, neighborhood calls to Sheriff's Department for service, loud noises, and parties. All are delinquent on business license taxes or their transient occupancy tax payments to the City. The most problematic issue to vet is whether they live on the property--the home has to be owner occupied and proving that someone lives on the property is difficult. Revenue is about \$5,000/year total assuming compliance. The State passed Senate Bill 60 in 2021 allowing cities to increase administrative fines up to \$5,000 for violations of short-term rental ordinances. \$1,500 for 1st violation, \$3,000 for the 2nd; \$5,000 for the 3rd. The City has utilized this tool to combat illegal Airbnbs. It is limited only to threats of public safety and health—Lakewood utilizes two main ones—calls to Sheriff's Department and Building & Safety such as unpermitted ADUs. Staff recommended that the Planning & Environment Commission hold a public hearing and following the hearing move to adopt the attached Resolution recommending that the City Council approve the related Notice of Exemption and adopt the proposed Ordinance pertaining to the prohibition of short-term rentals citywide and the related categorical exemption.

Chairperson Baca inquired as to any questions from the Commission.

Commissioner Cole questioned how many Citations were issued by the Sheriff's Department that were a threat to public health and safety that are listed on the provided sheet on the licensed short-term rentals as of April 1, 2023.

Administrative Services Manager Camacho responded that the Sheriff's Department have not issued any Citations for noise complaints. The Citations were issued by code enforcement for operation. One was issued January 17th and another one is pending.

Commissioner Stuckey questioned if those Citations came to your attention because the Sheriff's department referred the house as a possible short-term rental or was it code enforcement finding the violations?

Administrative Services Manager Camacho responded that the one regarding the Citation, I got a complaint from a neighbor through a service request. My side of procedure is I send a letter informing of a violation of the LMC. Letter goes with no response, then I send a 2nd letter two weeks later. That 2nd letter is ignored. The third

letter is sent two weeks after that. Then that is when I go to Abel and Code Enforcement and let them know they need to respond. In the one cited, code enforcement already knew about the property as they had an unpermitted ADU and unpermitted building inside the house. The \$1,500 was due to unpermitted building structure work. We gave her three months to shut down the Airbnb, and she did not, and we gave an extension to January 17, and it was still up, so we cited her.

Chairperson Baca questioned regarding the TOT (Transient Occupancy Tax), as four out of the five are delinquent and what type of ramification or bite does the City have to enforce that?

Administrative Services Manager Camacho answered that TOT existed before short-term vacation rentals. It is a hotel/motel tax. The ordinance that covers that section of the Code is robust in what we can do. Our ordinance allows us to estimate how much is owed to the City. Late fees escalators and can go all the way up to a lien on the property in an extreme case.

Chairperson Baca stated that his main concern is since most of these are open for financial gains, the taxes is the way to hit them where it counts.

Commissioner Samaniego commented that he was going to ask the same thing--what was the end game.

Commissioner Cole wanted to clarify we just want to restrict short-term rentals that are 30 days or less. He asked if it is 31 days or more, are there are no restrictions? Did the problems with short-term rentals not exist or is it circumvented once the 30 days have passed?

Administrative Services Manager Camacho stated that there are code enforcement cases with traditional rentals. The issue with short-term rentals is the disruption to the community. When people are not vested in the neighborhoods, it lends itself to the complaints.

Director Avalos clarified that longer term rentals of 31 days or more are traditional rentals that are subject to a lease of some sort with the property owner. By virtue of that lease, we have an easier way to go after the tenant or the landowner. It is the traditional way that every city has rentals. What makes the short-term rentals problematic is by its very nature, these are short term rentals—it's a couple of days, and it's temporary. The renters do whatever they want in two days, then they are out. The business model is great from one perspective for revenue, but what we found is that the number of staff hours involved, resources, Sheriffs, code enforcement, administrative staff--it is becoming cost prohibitive and degrading the pleasant nature of neighborhoods due to the amount of complaints. We have enough data that this is something we should do something about.

There being no further questions of staff, Chairperson Baca declared it the time and place for the public hearing on the Ordinance Pertaining to Short Term Rentals, asking anyone wishing to be heard on the matter to come forward.

A resident, Marco Gallardo, 4912 Coke Avenue, Lakewood, identified himself and stated he and his sister have an Airbnb and addressed the Commission. They believe they have complied with strict Airbnb requirements, and they run an Airbnb to afford their home and taxes and to finally help support them.

Commissioner Ung stated he is familiar with the Airbnb from a renter's side, and asked as a homeowner, who sets the rules, regulations or standards or the minimum nights?

Resident Gallardo responded that the owner does—the owner sets the rules, and the renter needs to respect the rules. Airbnb is based on reviews. A bad review about a person who stayed with you would go against that person when he wants to rent from others. The owner checks reviews and authorizes who stays.

Commissioner Ung questioned about the fines and fees if damage occurs. Is there a standard fee set by Airbnb?

Resident Gallardo responded that the owner sets the charge per night, and Airbnb has their fees and taxes, like the TOT. For Lakewood, they do not retain the tax. Owner has to pay it. In case of damage, Airbnb has insurance, and the owner has to file a claim, and Airbnb covers costs of repairs.

Commissioner Samaniego wanted to clarify to Marco Gallardo that this is rentals for 30 days or lower. If he were renting 31 days or more, it would not affect him. He may want to think of going 31 days or more to be beneficial to him.

Resident Gallardo confirmed they are in the category of 30 days or less and acknowledged going 31 days or more is something to think about, but that was not desirable as they do not want to share their kitchen.

Chairperson Baca wondered if Mr. Gallardo's home is not owner occupied.

Resident Gallardo confirmed it is owner occupied, but they only have one kitchen which they, as the owners, use.

Commissioner Cole thanked Mr. Gallardo for providing public comment—it is beneficial to get the other side of a proposal.

There was a discussion about delinquent TOT status and business license tax and when those fees are due.

There being no one else wishing to be heard on the matter, and no further discussions, Chairperson Baca closed the public hearing.

Commissioner Stuckey moved, and Commissioner Samaniego seconded, approval of staff recommendation to forward the Ordinance Prohibiting Short-Term Rentals to the City Council to receive and file.

AYES: **COMMISSIONERS:** Baca, Ung, Cole, Samaniego, Stuckey
NOES: **COMMISSIONERS:** None
ABSENT: **COMMISSIONERS:** None
ABSTAIN: **COMMISSIONERS:** None

Director Avalos requested a brief recess, and Chairperson Baca consented to a 5-minute recess.

2. Ordinance Pertaining to ADUs and JADUs

Chairperson Baca called the PEC Commission meeting back to order.

Director Avalos introduced the proposed Ordinance amending the LMC pertaining to Accessory Dwelling Units (ADUs) and Junior Dwelling Units (JADUs). Director thanked the Commission for the 5-minute recess and explained the distribution of a supplemental staff report during the break which are additional changes that came after the first staff report was finalized.

Assistant Director of Community Development, J. Patrick McGuckian, presented the proposed Ordinance Pertaining to ADUs and JADUs, the related staff report, power point presentation and the proposed resolution recommending approval of the ordinance to the City Council, all of which are on file with the Community Development Department. There have been significant changes that became effective this year, and this Ordinance responds to the past two years and to Senate Bill 897 and AB2221 as adopted and effective January 1, 2023. There are six documents provided to the Commission. As history, staff met with the City Council Ad Hoc Committee on March 14 for policy direction to staff. On March 28, staff met with the City Council, and they reviewed the proposed Ordinance with instructions to prepare and present an ordinance to the Planning and Environment Commission, which is the reason for this meeting. The City needs to adopt these ADU regulations to preserve local development standards because, currently, the State says they are superseded wherever they are in conflict with state law, and none of our objective standards would then apply.

Currently, a non-resident may own three DUs--primary residence, an ADU and either a SB9 unit or a second ADU. A resident owner, a person who lives on the property, may have four DUs by adding a JADU, which is a conversion of an existing space. One change in the law is that it used to allow only conversion on an existing habitable space in the house like a bedroom, but now you can convert the attached garage and call it a JADU. ADUs in Multiple family dwelling complexes also have expanded, so now on a multi-family residential property if you have a duplex—two attached units—you may now have two detached ADUs and you can convert one of the garages into

an ADU, so now someone can have five. For every four units you have on a property, you can add another one.

The proposed Ordinance will allow the Council to authorize fees and will require a property owner to reside on the property. This will discourage some of the non-resident ADU construction.

Assistant Director McGuckian introduced a letter from HCD received on March 29, 2023, and he discussed the 18 topics and concerns of the HCD.

Director Avalos clarified that the HCD letter received arrived after distribution of materials to the commission, but was discussed with the City Attorney. Procedurally, we will continue to discuss with the City Attorney and communicate to HCD that we are aware of their concerns, and we believe we have a simple fix. When we present this to the City Council, it will be slightly different, but we will address this officially when we take this to the City Council.

Staff recommended that the Planning & Environment Commission hold a public hearing and following the hearing move to adopt the attached proposed Resolution recommending that the City Council approve the related Notice of Exemption and adopt the proposed Ordinance including any PEC hearing changes, in response to the HCD letter or other pertaining to standards and regulations of Accessory Dwelling Units and Junior Accessory Dwelling Units.

Chairperson Baca commended on the fast action taken and inquired as to any questions from the Commission.

Commissioner Cole questioned if the proposal to authorize fees for the ADU review is to discourage people from wanting to create an ADU.

Assistant Director McGuckian responded no not fees, but that the discouragement will be from establishing a standard on January 1, 2025, for residency occupancy. Owning and living on a property in order to apply for an ADU as opposed to just an investor owning a property and turning that property into three rentals. If you have to live on it and live with it, it will be more for family-oriented uses and not investment driven.

Commissioner Cole asked if there are currently any fees, and Assistant Director McGuckian said that there are fees for the building plan check and permits.

Director Avalos clarified that this is not an impact fee. It is a straight time of processing for staff time primarily at the front end. It is about two hours of staff time. It is not a significant fee.

Commissioner Samaniego questioned on Page 5, April 6, 2023, Accessory Dwelling Unit Ordinance 2023, Attachment #1, it says there are 121 completed and occupied, 87 are permitted and under construction. On Page 26, there are 20 SB9 second

dwelling units approved to allow a third dwelling unit. How many residences or how many properties do we have with a third or fourth dwelling unit?

Commissioner Samaniego questioned do we have nine properties with 3 units?

Assistant Director McGuckian said more like 20 properties with three units and another couple with four units.

Director Avalos stated that when this ADU law took effect and was modified in 2020 along with SB9, you will hear people say it did away with single-family zoning. SB9 had two components that allowed for splitting of lots but also allowed the SB9 secondary unit. Our approach has been that we will comply with State law, but we will also include elements to the extent we can to maintain some local control.

There being no further questions of staff, Chairperson Baca declared it the time and place for the public hearing on the Ordinance Pertaining to ADUs and JADUs, asking anyone wishing to be heard on the matter to come forward.

There being no one else wishing to be heard on the matter, and no further discussions, Chairperson Baca closed the public hearing.

Commissioner Samaniego moved and Commissioner Cole seconded approval of staff recommendation to adopt the Resolution recommending City Council to approve the related Notice of Exemption and adopt the proposed Ordinance Pertaining to Standards and Regulations for Accessory Dwelling Units and Junior Accessory Dwelling Units and for staff to further review the contents of the HCD letter received on March 29, 2023 prior to taking it to City Council.

AYES: COMMISSIONERS: Baca, Ung, Cole, Samaniego, Stuckey
NOES: COMMISSIONERS: None
ABSENT: COMMISSIONERS: None
ABSTAIN: COMMISSIONERS: None

3. CDBG FY 23-24 Action Plan

Director Avalos introduced the Community Development Block Grant known as the CDBG FY23-24 Action Plan.

Housing Specialist Carolyn Lehouillier presented the CDBG FY 23-23 Action Plan, the related staff report, and power point presentation, all of which are on file with the Community Development Department. The City of Lakewood is a CDBG entitlement community and receives funds annually from the Housing & Urban Development (HUD) which are disbursed for public services such as capital improvement projects, code enforcement activities, and any activity designed to assist low- and moderate-income individuals. To receive the funding, HUD requires a submission of a 5-year Consolidated Plan. The City of Lakewood submitted in 2020 which will run to 2024 and marks the 4th year of the 5-Year Consolidated Plan. HUD also requires a 30-day public comment period

which opens April 6 and closes May 29 at the City Council Meeting. Lakewood will receive \$445,734 in CDBG entitlement funding. We estimate earning about \$18,000 in program income from paid-back rehabilitation loans that used CDBG funding, for a total of \$463,734 in CDBG funds this fiscal year.

The proposed projects are the capital improvement project which is the Weingart Senior Center and the public service programs of Community Family Guidance, Meals on Wheels, Pathways, Human Services Association, Su Casa and Fair Housing. The remaining three are staff costs of community conservation, rehabilitation delivery costs, planning and administration.

Staff recommends that the Planning & Environment Commission conduct a public hearing for citizen input for the proposed Action Plan and following the public hearing direct staff to take into consideration all comments received by the public and recommend approval of the proposed Action Plan to the City Council on May 9, 2023. Any questions of staff?

Chairperson Baca questioned if Housing Specialist Lehouillier can expand on what are the rehabilitation delivery costs.

Housing Specialist Lehouillier stated it is a loan and grant program where we offer 10 loans and 6 grants to low-income residents. We also process loan paybacks and write reports and report to HUD.

Commissioner Stuckey questioned when we begin the remodel of the Senior Center, how long will it take, and will we have to close the Senior Center?

Director Abel stated we are trying to build up enough funds to undertake the remodel of the Weingart Senior Center. The plans have been approved, so we are just waiting for additional funding. We are reaching out to elected officials and are hopeful of receiving additional funding that way. We have emergency Covid monies that we would like to spend to help with some of the projects. The Weingart Senior Center is one of our priorities. The Center would close down for a period of time for the renovations.

Commissioner Cole asked if we get CDBG funding as a lump sum annually or monthly.

Housing Specialist Lehouillier responded annually.

Commissioner Cole asked what period does the City get that funding?

Housing Specialist Lehouillier responded that the fiscal year begins July 1, 2023.

Director Avalos added we received the allocation, so we know how much we are going to receive. Everything is done through wire transfer when the money hits the IDIS system. The monies we put in the report is the official amount HUD will provide to us. When the fiscal year begins, that is the amount that will be wired into our account.

Commissioner Samaniego asked if there is a lot of homeless that go to the Burns Community Center?

Housing Specialist Lehouillier responded that there are about 15-20 a year that go in for services such as phone use, rides, and references to other places of assistance.

There being no further questions of staff, Chairperson Baca declared it the time and place for the public hearing on the CDBG FY 23-24 Action Plan, asking anyone wishing to be heard on the matter to come forward.

There being no one else wishing to be heard on the matter, and no further discussions, Chairperson Baca closed the public hearing.

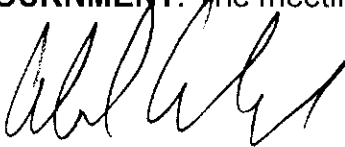
Commissioner Stuckey moved and Commissioner Ung seconded approval of staff recommendation to forward the CDBG FY 23-24 Action Plan to the City Council to receive and file.

AYES:	COMMISSIONERS:	Baca, Ung, Cole, Samaniego, Stuckey
NOES:	COMMISSIONERS:	None
ABSENT:	COMMISSIONERS:	None
ABSTAIN:	COMMISSIONERS:	None

PUBLIC COMMENTS: None.

STAFF COMMUNICATIONS: None.

ADJOURNMENT: The meeting was adjourned at 8:45 p.m.



Secretary