

store vaults on the roof of Inspiration Slope Mausoleum. He asked that the Planning Commission agenda this topic at a future meeting.

Sharon Loveys asked when someone will tell Green Hills “no”. She expressed her frustration with the City’s permission to allow Green Hills to store vaults on the roof of Inspiration Slope Mausoleum. She also discussed her frustration with the burials that take place in front of her unit and the loss of privacy it has caused her.

Matt Martin stated that to add insult to injury, at the back of the mausoleum in front of his home there is a terrible smell from the mold growth that is taking place on the building. He invited staff and the Commission to the site to see and smell the problem.

Debbie Landes discussed her concerns with what is happening at Green Hills and the City’s reaction and help to these problems.

Minas Yerelian discussed a recent encounter he had with Mr. York. He discussed the golf course at Mr. York’s site and stated the golf course must be a playable golf course, otherwise the CUP must be revoked.

Commissioner Emenhiser asked staff if they can have someone from staff go to Green Hills to look at the mold issue raised by Mr. Martin.

Director Mihranian replied that he will have the Building Official look at the issue.

Commissioner Nelson acknowledged that there appears to be mold, however he did not notice the smell when he was there.

CONSENT CALENDAR

1. Approval of June 14, 2016 Minutes

Vice Chairman Cruikshank moved to approve the minutes as presented, seconded by Commissioner Bradley. Approved without objection, with Commissioner Leon abstaining since he was absent from that meeting.

NEW PUBLIC HEARINGS

2. Short-term vacation rentals (Case No. ZON2016-00188):

Associate Planner Silva presented the staff report, explaining the item is in response to a City Council initiated code amendment to prohibit short-term rentals in single family residential districts. He noted that the Municipal Code does not currently provide a definition of or address short-term rentals and noted that the use is technically prohibited because the Development Code is written as a permissive code, and short term rentals is not listed as a permissible use. He noted that a survey completed by an outside vendor found 101 websites and 80 rentals in the city. As a result, the City has noted an increase

in complaints in regards to short-term rentals, which focus on noise, trash, neighborhood character, and parking shortages. He discussed the proposed code amendments, as well as how the proposed ban would be enforced. He noted that staff has received several public comments as a result of this proposed amendment, and these comments are fairly split between those opposed to the proposed amendment and those in favor of the proposed amendment. He stated that staff after consulting with the Coastal Commission, it was determined that an amendment to the Local Coastal Plan (LCP) would be required for this amendment. Therefore, staff is recommending the Planning Commission continue the public hearing to the August 23rd meeting in order to allow staff to prepare a Local Coastal Plan Amendment to be considered in conjunction with the proposed code amendments.

Assistant City Attorney Burrows stated she would like to respond to some of the questions that have been raised in the public correspondence in regards to the legality of enforcing a ban on short-term rentals. She noted there is case law supporting prohibitions on short-term rentals in residential areas and the definition of a short-term rental. She also noted other issues the courts have considered is what justifications cities may have for prohibiting short-term rentals, and briefly listed some of those issues. She stated this will be addressed further in the staff report if the Commission continues the public hearing to the August 23rd meeting.

Commissioner Emenhiser asked why vacation exchanges was specifically exempted from this proposed code amendment.

Associate Planner Silva explained that the vacation exchange typically does not include the exchange of money and involves families trading houses for a vacation period.

Commissioner Emenhiser asked if the Terranea Resort has a position on this subject.

Director Mihranian answered that they do not. He pointed out that since Terranea is a commercial zoned property, this prohibition does not apply to them.

Commissioner Emenhiser stated he was concerned about unintended consequences and this regulation seems to be stepping right along. He asked staff to outline the enforcement process.

Director Mihranian answered that staff has found through research that the most effective enforcement of this prohibition would be through the actual advertisement. He explained the listings are posted on websites, and there is a vendor who has software which allows them to scan all of the websites and find the advertisements. The vendor would then notify the property owner that this short-term rental is not allowed.

Commissioner Emenhiser referred to the current lawsuit in Hermosa Beach, and asked staff if there was some logic to waiting for the Hermosa Beach lawsuit to work its way through the courts before this city makes a decision.

Director Mihranian explained that Hermosa Beach is unique in that they don't have a certified LCP, so Coastal Commission staff has told the City that in order for their ordinance to be effective in their coastal zone they need to apply for a Coastal Development Permit. Rancho Palos Verdes does not need to do that, as we have a certified LCP. What is being challenged in Hermosa Beach is that a Coastal Permit has not been issued, and not so much the language of the prohibition.

Commissioner Emenhiser asked how many complaints staff has received in regards to short-term rentals on an individual residential property.

Associate Planner Silva estimated two complaints per month, noting that the problems and issues usually happen on the weekends. Therefore, complaints are not typically filed with the City but rather with the Sheriff's Department.

Commissioner Emenhiser questioned if this prohibition is coming about because of possibly five homes in the City that there have been complaints about.

Director Mihranian explained that the City's code enforcement officer has periodically received complaints about short-term rentals, however there has been an increase in the past year. He stated the City has not taken a proactive approach on this issue because the Code is not very clear. He stated he would not characterize the issue as just two or five homes, as there appears to be more out there, based on some of the calls the city received. He also noted it may be more of an issue in specific neighborhoods.

Commissioner Emenhiser asked if this is a form of taking.

Assistant City Attorney Burrows responded that she had found two published cases in California which found that ordinances banning short-term rentals in residential areas does not constitute taking. She also noted that she found no published cases with the opposite finding.

Commissioner Emenhiser asked if this Ordinance would apply only to single family homes, and not multi-family units.

Director Mihranian answered that it would only apply to single family residences, not multi-family or commercial.

Commissioner Leon felt the Commission should know how many complaints staff receives. He also asked how many complaints staff receives for noise or bad behavior in general, that are not related to short-term rentals.

Director Mihranian stated staff randomly receives noise complaints, but those types of complaints will typically go to the Sheriff's Department, and staff will have to do some research to find the answer.

Commissioner Bradly stated he would like to see a validation that there is a problem. He noted that there have been complaints, but how do we know that these complaints were a result of short-term rentals. He stated he would not like to see the City adopt an ordinance that is very constraining without validating there was really a problem. He noted that there are cities that have taken a less constraining approach rather than going to an all-out moratorium. He questioned why, under a permissive use, a vacation exchange would be permitted and a vacation rental not permitted, and asked if it was because of an exchange of funds. He noted that it is not specifically permitted that homes can be exchanged. He also questioned if the City has received any complaints in regards to the B&B establishments in the City. He felt this information was important to have before making any constraining regulations.

Commissioner James recapped that the consultant has identified over a hundred websites advertising rentals, and eighty rentals have been identified in Rancho Palos Verdes. However, of those eighty rentals, some are on commercial properties. He asked staff how many vacation rentals are in single-family residential neighborhoods.

Associate Planner Silva answered that staff will have that information in the August 23rd staff report.

Commissioner James did not feel there was a good reason to make a distinction between multi-family residential areas and single-family residential areas for short-term rentals. He stated he would like a better explanation from staff as to why this distinction is made. He then referred to staff's definition of short-term rental, and asked why there were two sections to the definition. He felt that one definition would be sufficient and the two should be combined. He also suggested that it not be limited to owners or lessees, but rather owners, lessees, or representatives.

Director Mihranian answered it was a stylistic approach to be very clear and make a distinction on whether it is owner occupied or not occupied. Staff can certainly combine the two sections if that is the suggestion of the Commission.

Commissioner Leon noted that in regards to code enforcement, staff is reactive rather than proactive. He asked why staff would now be proactive with this issue.

Director Mihranian felt that when the Council considered this code amendment initiation, it was because it was something that is a concern to the Council, especially in light of the comments they are receiving from residents. It was also understood that this would be a policy change, as the Council would be directing staff to be proactive.

Chairman Tomblin stated that if someone moves out of their home and rents it out for the weekend, isn't it already in the code because it could be considered a hotel arrangement or a transient situation.

Director Mihranian explained that various parts of the Municipal Code can be pulled together and say that it isn't allowed. However, staff has not enforced these sections of

the code thus far by saying that a hotel is being operated in a residential zone. He explained that staff wanted to get clear direction from the City Council before going down that path and the Council has given the direction this is something they want to pursue.

Chairman Tomblin asked if the Code mandates that a manager or owner be on site at a Bed and Breakfast.

Director Mihranian explained there is a section in the Code that lists all of the criteria required to operate a Bed and Breakfast. It requires that the operators of the Bed and Breakfast resides on the property and there is an employee on the property at all times.

Chairman Tomblin asked if it would be prohibited under this proposal for a homeowner to rent a room in their home to a college student or other person on a short term basis.

Director Mihranian answered it would be prohibited if it is for a time period of less than 30 days.

Chairman Tomblin opened the public hearing.

Arline Grutz stated she lives on Hightide Drive and discussed an issue she had with a neighboring property that is rented as an Airbnb and the abuse that took place on the property. She stated an owner would be concerned about the water waste and other issues, while a tenant might not necessarily be as concerned.

Michael Yu stated he is an Airbnb host in Rancho Palos Verdes. He stated that his opinions tonight are his only, and he did not represent any special interests or anyone else. He asked the Commission to reconsider the proposed ban. He felt the Commissioners have a lot of valid questions and did not think the Commission has the right answers to fulfill a large mandate such as a ban. He stated he has been a host for over one year and has had over 80 visitors to his property. He has received no complaints from the neighbors, Sheriff's Department, or the City. He stated he has had visitors from all over the world, and Rancho Palos Verdes is no longer a secluded area. He felt a ban could affect the Peninsula's economy. He stated that if the City wants an outright ban, he suggested postponing that decision and take some time to look for alternative solutions.

Commissioner Nelson asked Mr. Yu how he felt about a permit process to operate a short-term rental.

Mr. Yu answered that he would be amenable to a permit process.

Commissioner James asked Mr. Yu if he rents out his entire home, or if he rents out rooms and if he is on the property.

Mr. Yu explained his property includes a main house and a guest house in the rear yard, and it is the guest house he lists on Airbnb. He stated the guest house is approximately

500 square feet, and the largest group he has accommodated was two parents and three children.

Commissioner Emenhiser asked Mr. Yu how he would deal with noisy or disruptive renters, and if he had any suggestions on how these types of guests can be dealt with when the owner is not on the property.

Mr. Yu noted that his house rules include no drinking or smoking on the property. He explained how Airbnb works, noting that potential guests will notify the owner and explain their reasons for wanting to stay at the property. He noted that sometimes he will receive requests to host a wedding shower or to have a party, and he rejects these requests.

Chairman Tomblin asked Mr. Yu if he leaves his house and rents it out to guests.

Mr. Yu answered that during the year he has been a host and there has always been someone from his family at the house.

Vice Chairman Cruikshank asked Mr. Yu if Airbnb can receive complaints, or if they are just a pass-through.

Mr. Yu stated he could not answer that question. He added that hosts can look to see how potential guests have been rated by other hosts, and it will be up to the host to either accept or decline the guest's request.

Chairman Tomblin asked Mr. Yu, as a host, if he would have a problem with a permit that said that the owner or a manager must be on-site to oversee the rental period.

Mr. Yu answered he would be fine with someone from his family staying on the property whenever there is a guest, if it was required by a permit.

Adrienne Ferree stated she currently hosts international students, which is not affiliated with Airbnb. However, she has been thinking of listing her house through Airbnb. She explained that she currently lives alone in her home, as her daughters have moved away. She pointed out that when her daughters were home there were a lot more cars at the house and a lot more people going in and out. Therefore, as with hosting the international students, if she were to host with Airbnb she would be home with the guests. She also had no issue with a permitting process by the City.

Chairman Tomblin asked Ms. Ferree how many rooms she currently has students staying in, or that she might rent out through Airbnb.

Ms. Ferree explained she has two master suites in her home and she rents one of the master suites out.

Chairman Tomblin asked Ms. Ferree how long the students typically stay with her.

Ms. Ferree answered the stay is typically anywhere from two weeks to nine months.

Mitra Nejat asked if the homeowners of Rancho Palos Verdes are going to vote on this Ordinance, or if the City has the right or the authority to just make this rule.

Assistant City Attorney Burrows answered that cities across the Nation have the authority to enact zoning ordinances, which regulate the usage of land. This authority has been challenged countless times and the courts have consistently upheld the city's ability to make findings supporting specific uses of land in specific areas, and a division of those uses. In the city of Rancho Palos Verdes there are residential zones and commercial zones, with various subparts of those different zones. These zones are controlled by state law and the city's adopted General Plan. She explained that zones are then amended through the code amendment process.

Ms. Nejat stated that if something is harmful to the residents of Rancho Palos Verdes, then in turn it would be harmful to the city, and the city should take action. She questioned how the city would determine what is harmful, or if that even plays into the decision.

Chairman Tomblin explained this is before the City because of complaints that have been raised by residents.

Ms. Nejat understood, however pointed out that two or three complaints is not a representation of the entire city. She also noted that as a homeowner, she can have a party and be noisy every day of the week, and questioned how the city will control that. She felt that this proposed ordinance is an extreme, and is taking a right away from the homeowner. She questioned if it was actually Terranea that accounted for the bulk of the advertisements found by the consultant.

Commissioner Nelson commented that this is a law City, and the City gets its authority from the State. The City Council represents the people who live in the City, and are elected at large. They are charged with the responsibility of setting up the laws and regulations of the City. He did not feel this issue was over by any means.

Commissioner James felt there are questions that need to be answered and there is no reason to rush this back to the City Council.

Commissioner James moved to continue the public hearing to August 23, 2016, seconded by Vice Chairman Cruikshank.

Commissioner James felt staff can do a better job giving the Commission some of the underlying facts. He is unclear on the number of complaints that have been received in regards to Airbnb rentals and he does not know how many of those complaints are in single family residential zones. If there is going to be an Ordinance that is in any way restricting the property owner's right to use their own property, the city should be careful and make sure they are responding to a real problem. Currently, he does not have a

picture of what the real problem is, and does not have enough presentation of facts to make an informed decision.

Commissioner Bradley agreed, stating he would like to have a better understanding of the problem. He understood this is a trending event through many cities. He noted that he has used vacation rentals many times, and treats these rentals like his own home. He stated he would like to understand what the problem is that this specific City has before moving to an Ordinance that is very restrictive. He also requested getting a general understanding of vacation sharing, Bed and Breakfast, and the permitting involved, and not just the vacation rentals singularly. He also requested staff show the number of rentals advertised in single family zones, multi-family zones, and even at Terranea.

Commissioner Emenhiser understood that people have a right to peace and tranquility in their home, and if everyone ran their establishment like Mr. Yu there would most likely be no complaints. He shared Commissioner James and Bradley's concerns regarding facts and numbers, and requested more information. He was also disturbed that there is a perspective vendor identifying the problem and then presenting themselves as the solution. He was concerned that vacation exchange would be exempted from this proposed Ordinance, as he felt it could be a potential loophole that people could use. He explained that he read the City Council minutes for this item, and understood that when it comes to land use issues the City Council turns to the Planning Commission to vet the issues and come forth with a recommendation. He therefore did not think this should be moved along quickly. Lastly, he referred to the speaker who rents rooms to international students and others, and felt that when looking at cases like these the City should tread very lightly.

Commissioner Leon stated he supported the other Commissioners in the request to have more facts and to understand if this is a real problem. He also discussed the City of Santa Barbara, where short-term rentals are banned, and as a consequence everyone rents their homes for a month. If the renter happens to leave before the month is up, the property owner will refund that portion of the rental money. He stated that this speaks to unintended consequences. He felt that companies such as Uber and Airbnb are here to stay, and the City should have ways to have them be good citizens as opposed to taking their bread bowl.

Commissioner Nelson felt the City was making a mountain out of a mole hill. He also felt there were some First Amendment issues to take into consideration. He discussed code enforcement and seriously questioned if the code enforcement staff would be going to these properties on a Friday or a Saturday night. He pointed out that Hermosa Beach is estimating they will have to hire two new code enforcement officers to enforce their ban, at a cost of \$200,000 per year. He also felt that it will take no time at all for residents to figure a way around any ban the City might attempt to enforce. While he appreciated the City Council's attempts, he felt the best solution may be to allow the use by permit. Otherwise, this may turn into an unenforceable mountain.

Vice Chairman Cruikshank agreed with the previous comments. He explained that in watching the City Council meeting, the concerns focused on nighttime safety and the issues that occur that would require law enforcement to come to the site. He agreed the problem might not be huge now, but felt it was something that will become more and more popular and it would behoove the City to start looking at the situation now. He felt the City needed to be smart about this issue and look into the future. He felt the City should always encourage home based businesses, and this use is not too much different from a home based business. He was more concerned with the disturbances to neighbors and the safety issues. He felt the permit process may be beneficial, and noted the City of Los Angeles has included fines in their process. He also thought it made sense to have a responsible party at the site when the property was being rented. He stated the multi-family zone should be included in this discussion. Lastly, he noted the \$7,200 conditional use permit fee to register as a Bed and Breakfast was very high, and questioned if there was an opportunity to simplify the process and lower the fee for this type of use.

Chairman Tomblin acknowledged the Planning Commission is appointed by the City Council, and does have certain authority to take action on an item. He felt the City Council looks to the Commission to do the vetting on an item, walk through the issues, and make a recommendation to the Council. He felt the City Council had a sense of urgency on this item, however it was up to the Planning Commission to take the time to get all the facts and make an informed decision to recommend to the Council. He also thought the topic of homeowner's rights and free enterprise was interesting. He felt there are two types of rentals in the City, one where there is a rental with the owner on site and one where a home is rented out and there is no owner or representative on site. If a permit process were put in place he questioned if the option where the owner is just renting out rooms or is always on site could have a less expensive, more streamline version of the application. He felt that multi-family zoning districts should be part of this process, but added that the City regulations should not supersede the Homeowners Association CC&Rs in regards to this topic. He also felt vacation exchanges should be better defined and included.

Commissioner Nelson noted he gave a copy of the CC&Rs from his HOA to staff, noting that in his development short-term rentals are banned. He stated that the enforcement is done through the HOA Board.

Director Mihranian pointed out that the City does not enforce CC&Rs and CC&Rs stand as a civil matter between the property owner and the HOA.

Commissioner Emenhiser moved to amend the motion that staff bring back language for a registration process so that the Commission can consider both a registration and a prohibition.

Director Mihranian did not think this had to be part of the motion since, based on the comments from the Commission, staff would be bringing back to the Commission more facts on the proposed prohibition as well as the option of a permit process.

Commissioner Emenhiser withdrew his amendment to the motion.

Director Mihranian felt it would be important for the Commissioners to view the tape of the May 17th City Council meeting, as there was a very different tone at that meeting and the public that attended that meeting gave a very different side to what they're living with in terms of the potential impacts.

Chairman Tomblin asked if there was something that could be done with the Sheriff's Department that these particular houses that are causing the problems be monitored.

Director Mihranian explained that what the Sheriff's Department can enforce is whatever is codified in the Municipal Code. He stated that staff is working with the Sheriff's Department to understand what type of calls they are receiving in regards to these short-term rentals, however it's hard to pinpoint since the Sheriff's Department receives calls based on a specific address. The Sheriff's Department does not keep a log of these types of specific complaints.

Chairman Tomblin questioned if there was some type of letter generated from the Community Development Department that can notify the property owner that there has been complaints regarding an issue with a recent short-term rental.

Director Mihranian stated it is difficult for the City to send a letter to a resident unless there is something codified that staff can cite and explain to the resident that they are in violation of that particular code section.

Commissioner Emenhiser felt the goal should be to encourage the Mr. Yu's of the City and to punish those who do not follow the rules.

The motion to continue the public hearing to August 23, 2016 was approved, (7-0).

ITEMS TO BE PLACED ON FUTURE AGENDAS

3. Pre-Agenda for the meeting on July 26, 2016

Chairman Tomblin stated that he and the Vice Chairman had met with the Mayor, City Manager, City Attorney, and the Director regarding the motions made in regards to Green Hills and the upcoming closed session meeting. Because there is a conflict with the City Attorney's schedule on Tuesday nights, the question was asked as to how early the closed session meeting could be held or if it could be held on another night.

Assistant City Attorney Burrows suggested the Director poll the Commissioners via email to find an agreeable time or alternate evening.

ADJOURNMENT

The meeting was adjourned at 9:28 p.m.