AGENDA

1 Background
2 Long Beach Profile
3 Short Term Rentals in Long Beach
4 Next Steps
5 Open House
6 Formal Public Comment
Short-Term Rental Ordinance Development Process

On-going Coordination + Collaboration

Key Deliverable

Public Engagement

Research + Analysis
- Kick-off Workshop
- Online Survey
- Case Studies
- Roundtable Workshop
- Draft Report
- Public Review Workshop
- Final Report
- Council Meeting
- Code Amendments
- Hearings

Alternatives

Code + Hearings
# Short-Term Rental Ordinance Development Analysis

## Key Deliverables

<table>
<thead>
<tr>
<th>Deliverable</th>
</tr>
</thead>
<tbody>
<tr>
<td>Municipal Code Diagnosis</td>
</tr>
<tr>
<td>Assessment of Current State of Long Beach STRs</td>
</tr>
<tr>
<td>Case Study Research Memo</td>
</tr>
<tr>
<td>City Revenue Assessment</td>
</tr>
<tr>
<td>City Resources Assessment</td>
</tr>
<tr>
<td>Considerations &amp; Recommendations Report</td>
</tr>
<tr>
<td>Ordinance Language Memo</td>
</tr>
<tr>
<td>Ordinance</td>
</tr>
</tbody>
</table>
All options are on the table

• STRs allowed with limited regulations
• STRs allowed with strict regulations
• STRs disallowed by regulations
• Etc.
The Sharing Economy

- **Peer-to-peer consumer market** for goods and services
- Result of **technological advancements**, primarily the internet, that allow for easy transactions
- **Impacting the broader economy:** transportation, financial services, lodging
- Sharing economy profits estimated to grow from $15 billion in 2014 to **$335 billion by 2025**
- Airbnb offers **more rooms than the largest hotel companies**
What is a Short-Term Rental (STR)?

A home, or portion of a home, rented by paying guests for short stays (30 days or less)

Potential Advantages

• Supplemental income
• New lodging opportunities
• City revenue
• Increase utilization of unused rooms or homes

Potential Disadvantages

• Increased competition for housing
• Change in neighborhood character
• Enforcement challenges
The City’s Code and Short-Term Rentals

Hosted STRs are allowed with limitations
“Room Rental” Allowed
• Owner must live in home
• Two-room maximum
• Not detached
• No independent exterior entrance
• No kitchen

Un-hosted STRs are prohibited (many cities prohibit STRs based on zoning codes, but STRs occur regardless)

Loud parties are prohibited

Lodging must comply with certain standards (parking, inspections, buffers)

California Coastal Commission promotes STRs
• City Code needs updating to respond to the sharing economy

• Inconsistent definitions (e.g., “hotel”, “guestroom”)

• Business tax license required for bed and breakfasts, but not for short-term rentals

The City’s Code and Short-Term Rentals
Current Enforcement Process

- Initiate action when three requirements are met:
  - Complaints from two individuals
  - Calls for service
  - STR web posting

- Notify host of Municipal Code violation and to cease activity

- Burden of proof high to take further action
LONG BEACH PROFILE
Population is **growing faster than projected** – 2016 population surpassed 2040 estimate

Household sizes are smaller than households in the County, and **household size is forecasted to decline**

Sources: U.S. Decennial Census, 2000, Summary File 1, Table QT-P11
U.S. Census Bureau, 2011-2015, American Community Survey 5-year Estimate, Table S1101
SCAG Regional Growth Forecast 2016-2040
Long Beach Profile

Long Beach Housing Stock by Unit Type (2015)

- The number of housing units has not kept pace with household growth
- Most units are single family homes or in complexes that contain five or more units
- About a 40/60 split between owner and renter-occupied units

Source: California Department of Finance: Report E-5
• 60% are two- or three-bedroom units

• 25% are one-bedroom units

• Owner-occupied units typically have more bedrooms

• Renter-occupied units are more diverse, but have higher rates of one-bedroom and studio units
Residential vacancy is declining

- Vacancy rates
  - Homeowner < 2%
  - Renter < 5%

- The number of vacant units is declining (reduced by 25% or 3,500 units)

- “For seasonal, recreational, or occasional use” increased 8.5% (87 units)

Source: U.S. Census Bureau, 2011-2015, 2006-2010, American Community Survey, 5-year Estimate: Table B25004
• Median household income $52,783 ($4,399/month)

• Median monthly homeowner costs $2,147

• Average monthly rent $1,333 (long-term rental unit)

Source: U.S. Census Bureau, 2011-2015, American Community Survey, 5-year Estimate: Table DP03
SHORT-TERM RENTALS
IN LONG BEACH
Short-Term Rentals in Long Beach

1,532 active listings
1,328 active rental units
(0.75% of housing stock)
Short-Term Rentals in Long Beach

Listing Types

- Single-Family [48%]
- Multi-Family [52%]
- Unknown [0%]
- Partial Home [33%]
- Entire Home [67%]
- Unknown [0%]

Source: Host Compliance

Partial home listings – 438
Entire home listings – 890
91% require minimum length of stay between one and seven nights
Short-Term Rentals in Long Beach

49% listed for no more than $100/night

Source: Host Compliance
Short-Term Rentals in Long Beach

Estimated Annual Rental Revenue to the Property Owner

51% estimated to make no more than $10,000/year in revenue for the property owner

Source: Host Compliance
Almost half are estimated to be rented for more than 90 days/year

17% of hosts have more than one STR (this may be understated)
Short-Term Rentals in Long Beach: Coastal Zone

522 active listings
426 active rental units

Source: Host Compliance
Short-Term Rentals in Long Beach: Coastal Zone

Larger percentage of listings for entire home

349 listings for entire home
Similarly, 88% require minimum length of stay between one and seven nights.
Short-Term Rentals in Long Beach: Coastal Zone

Nightly Rate

- $0-$50 [3%]
- $50-$100 [27%]
- $100-$200 [43%]
- $200-$400 [20%]
- $400+ [6%]
- not provided [1%]

Source: Host Compliance

Higher nightly rates
Only 30% listed for no more than $100/night
Similarly, 51% estimated to make no more than $10,000/year for the property owner.
A slightly lower percentage of units are estimated to be rented for more than 90 days/year compared to citywide.
## Next Steps

<table>
<thead>
<tr>
<th>Event</th>
<th>Timeframe</th>
</tr>
</thead>
<tbody>
<tr>
<td>Online Survey</td>
<td>June 2018</td>
</tr>
<tr>
<td>Case Study Research</td>
<td>Summer 2018</td>
</tr>
<tr>
<td>Community Roundtable Workshop</td>
<td>Summer 2018</td>
</tr>
<tr>
<td>Public Review Workshop</td>
<td>Fall 2018</td>
</tr>
<tr>
<td>City Council direction on preparing ordinance</td>
<td>Fall 2018</td>
</tr>
</tbody>
</table>
Open House / Agenda

• Walk Around – Check out informational boards
• Ask questions!
• Fill out comment sheets
• Public comment to follow open house
• 8:00pm - End
THANK YOU!