



CITY OF BIG BEAR LAKE *California*

MEETING DATE: November 9, 2020

TO: Honorable Mayor Herrick and Members of the City Council

FROM: Frank A. Rush, Jr., City Manager

SUBJECT: City Manager Comments – Item 3.2

PRELIMINARY REVIEW – DRAFT VACATION RENTAL ORDINANCE

ACTION TO BE CONSIDERED

City staff have completed a comprehensive review of the City's existing ordinance regulating vacation rentals, and have drafted a proposed new ordinance to replace the existing ordinance and improve the City's vacation rental program. The new ordinance and improved program are designed to achieve and maintain an acceptable balance between residential quality of life and vacation rental impacts in our community.

City staff will brief the City Council and the community on the key provisions of the draft ordinance at the November 9 meeting. The November 9 meeting is simply intended to provide an overview of the draft ordinance, and is not intended for a lengthy discussion at this time. We believe this issue requires more focused discussion and time for public input, and we intend to schedule a special joint meeting of the City Council and Planning Commission for November 18 - solely to receive additional public input and allow for in-depth discussion by the Planning Commission and City Council. Additional public input meetings will be scheduled in the following weeks and months as necessary to ensure meaningful public input. Formal action will be scheduled as appropriate depending on feedback received at the November 18 meeting and any subsequent special workshops.

RECOMMENDED MOTION(S)

Motion to schedule a special joint meeting of the City Council and Planning Commission for Wednesday, November 18 at 1:30 pm in the Performing Arts Center, with appropriate COVID-19 safety measures.

RESPONSIBLE STAFF Larry Vaupel, Director of Tourism Management - Staff Report Attached

ADDITIONAL CITY MANAGER COMMENTS

City staff have listened intently to concerns expressed by our community about vacation rentals over the past several months, and I believe we have a solid understanding of the community's concerns. City staff have thoughtfully considered ALL of these concerns, and have prepared the draft ordinance specifically to address these concerns – in a thoughtful, practical, and effective manner. I am pleased to present this draft ordinance for review, questions, suggestions, and adjustments by the City Council after receiving additional public input and feedback.

The draft ordinance is very carefully crafted, with many complementary and interwoven provisions, to promote the following:

- A return to the original intent of vacation rentals. – The draft ordinance is crafted to discourage the use of vacation rentals as a profit-making enterprise, and to promote a return to the original model whereby vacation rentals were used as a means to offset the cost of an owner's second

home so it would be affordable for use by the owner's family for the remainder of the year. The draft ordinance includes provisions requiring ownership by natural persons only, prohibiting the conversion of apartments to vacation rentals, and prohibiting the sub-leasing of properties as vacation rentals. In short, vacation rentals should be used to offset expenses of those who enjoy and are committed to our community, and not simply as a profit-making activity.

- An intentional emphasis on engagement, communication, and relationships. The draft ordinance includes numerous provisions to promote active engagement by the vacation rental owner or his / her professional manager, to promote frequent and effective communication between City staff and the vacation rental industry, and to build a cooperative relationship between City staff and with vacation rental owners and professional managers.
- Timely, validated, and effective enforcement. The draft ordinance intentionally shifts primary enforcement responsibility from vacation rental owners and managers (a centerpiece of the existing ordinance) to an augmented City enforcement staff – with proactive patrols and nearly immediate response from a City enforcement official at all times. The approach also includes a more customer-oriented call center to receive complaint calls.
- More significant penalties for violations validated by City enforcement staff. The draft ordinance includes fines ranging from \$500 - \$10,000, to be levied on guests, owners, and/or owner's agents, allows for immediate eviction if warranted, and also enables the City Manager to revoke a vacation rental license after just one violation (if particularly egregious).
- The intentional encouragement of families utilizing vacation rentals. The draft ordinance includes new occupancy limits aimed at making it more attractive for families to occupy vacation rentals as opposed to large groups of unrelated individuals, establishes a minimum rental age of 25 years old, and requires a two-night minimum stay.
- A deliberate focus on preventing, resolving, and punishing the two most frequent violations: noise / parties and parking. The draft ordinance prohibits amplified music from being audible at the property line at any time during the day, includes new limits on non-overnight visitors (max 4 during daytime hours only) to the property, and requires all guests to park in the garage or driveway on the vacation rental property (on-street parking is prohibited).
- Engaged, committed, and professional management of vacation rental units. The draft ordinance includes a requirement for either the owner to personally manage and respond to ALL aspects of the vacation rental experience (including the 30 minute in-person response) or to hire a professional management company with a brick and mortar presence in the Big Bear Valley. This provision is likely to be controversial among self-managed, absentee vacation rental owners, but is intended to ensure proper engagement, a commitment to our local community, a clear understanding of community expectations, and improved communications with the City. As part of this requirement, the Director of Tourism Management will be charged with certifying all owners (who must personally manage and respond to all aspects of the vacation rental experience) and/or owner's agents, and with conducting at least monthly meetings with ALL owner's agents to review issues, concerns, and complaints – in an effort to build a communicative and cooperative relationship and effectively PREVENT problems in the future.
- A deliberate effort to improve solid waste management associated with vacation rentals, and promote overall community cleanliness. City staff are currently working toward the establishment of a comprehensive curbside solid waste collection program and the closure of one of the Clean Bear sites, and the draft ordinance requires vacation rental units to implement new service within 30 days of notification by the City. This requirement would be implemented no earlier than July 1, 2021, and may involve curbside collection with owner or owner's agent

responsibility for managing container placement, or may involve direct collection by the owner or owner's agent, along with additional litter clean-up initiatives in neighborhoods.

- A deliberate increase in the costs of vacation rental ownership, likely to be passed on to vacation rental guests, in an effort to ensure effective management, discourage the proliferation of vacation rentals in the future, and promote a higher-income visitor group. The draft ordinance emphasizes professional management, will include increased costs for solid waste management, and vacation rental license fees will be approximately double in the future to reflect 100% of the cost of program administration and enforcement.
- The greater use of app / online technology to educate vacation rental guests, identify adult occupants, and identify vehicles associated with a vacation rental. The draft ordinance envisions the implementation of a new app / online platform whereby all vacation rental guests will be required to list all adult occupants, list all vehicle license plates for overnight guests, and acknowledge the key behavioral expectations of vacation rental guests (i.e, be quiet and respectful, park only on the vacation rental property).
- The restoration of residential character in neighborhoods. The draft ordinance intentionally aims to promote family visits, prevent disruptive behavior, require on-site parking, eliminate signage, and hopefully make it impossible to distinguish between a residential unit occupied by a permanent resident, second home owner, or vacation rental guests in the future.
- The continued success of the vacation rental industry and our tourism-dependent local economy. Most importantly, the draft ordinance has been carefully crafted to preserve the health of the local vacation rental industry and our businesses who are dependent on continued visitation by vacation rental guests. The draft ordinance is specifically intended to allow for future growth, to slowly and subtly shift the demographic of our vacation rental guests in the future, and promote the use of traditional lodging facilities (in commercial zones) by certain types of guests. The reality is that Big Bear Lake needs a vibrant vacation rental industry to be a successful community in the future – but we also need our vacation rental guests to be respectful, behave appropriately, and embrace our community's values.

City Council should note that we expect the draft vacation rental ordinance to be formally considered for adoption only after sufficient public input has been received in the coming weeks and months. The City Council should schedule as many additional special workshops for public input as you believe is necessary before formally considering the new vacation rental ordinance. If the draft ordinance is well-received, and significant public input has been received, City Council may wish to consider first reading at the December 14 meeting. If additional time is necessary for public input, City Council should delay first reading until the January, February, or later regular meetings to ensure meaningful public input has been received.

City Council should also note that City staff intend to schedule an annual City Council review of the new vacation rental ordinance each year in September (prior to the busy winter season), in order to make necessary adjustments in the vacation rental ordinance and overall program. In short, the vacation rental program should be continually monitored, evaluated, and adjusted as necessary in the future.

Again, as noted above, all of the provisions in the draft ordinance have been carefully crafted to complement other provisions, and to promote the goals outlined above. I believe we have devised an effective ordinance and program improvements, and look forward to the community's, the vacation rental industries, the vacation rental owners', the Planning Commission's, and the City Council's review and feedback in the coming weeks and months.



CITY OF BIG BEAR LAKE *California*

MEETING

DATE: November 9, 2020

TO: Honorable Mayor and Members of the City Council

THROUGH: Frank A. Rush, Jr., City Manager

FROM: Larry Vaupel, Director of Tourism Management

SUBJECT: Preliminary Review – DRAFT Vacation Rental Ordinance

BACKGROUND

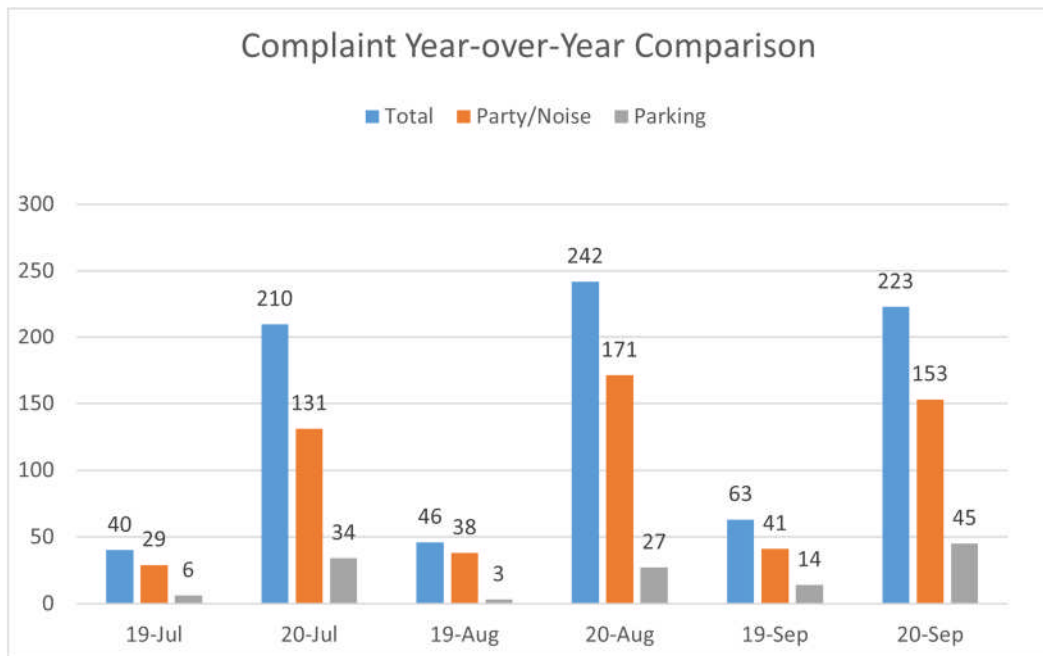
Vacation rentals (transient private home rentals) have a long history in the City of Big Bear Lake. The City was among the first municipalities in the State to adopt an ordinance regulating vacation rentals in 1999. This original ordinance (Ordinance No. 1999-300) provided a means by which second homeowners could help cover the cost of ownership, maintenance, and repairs. In 2007, the City Council adopted Ordinance No. 2007-375 which specified the provisions for enforcing the regulatory rules surrounding vacation rentals. Combined, these two ordinances established Sections 17.03.310 and 17.03.315 of the Development Code.

The ordinance currently being proposed by City Staff will delete these sections of the Development Code and amend Title 4 of the Code of Ordinances to regulate vacation rentals, special events and visitor behavior. One reason for this change is to eliminate any confusion or claim that a land use entitlement is granted by the City with the issuance of a Vacation Rental Permit. Applicants will now be issued a “license” instead of a “permit”.

The current state of the vacation rental market and a dramatic rise in the number of complaints about the behavior of vacation rental guests has led to the proposed changes in how vacation rentals are regulated. Vacation rentals have evolved significantly since our last code update in 2007. Technology allows homeowners to advertise their homes to a global audience. Visitors and tourists from all over the world are now able to view photos, check nightly rates, and reserve a vacation home on their mobile phones. During the ongoing COVID-19 pandemic, regionally based visitors have escaped their homes and locked-down communities to find retreat in vacation homes in the Big Bear Valley. This historic increase in demand has led to a near 100% occupancy rate among vacation rentals in the Big Bear Valley.

DISCUSSION

Residents have been vocal about their concerns regarding vacation rentals and the behavior of the guests occupying them. Feedback, advice, and suggestions about the vacation rental program and ordinance has been received by dozens of residents via email and phone calls to City staff. We have listened intently to the community’s input and have drafted the attached ordinance that we believe will meet our community’s expectations. Additionally, staff analyzed the vacation rental complaint data from the summer of 2019 and compared it to the complaints received in the summer of 2020. Specifically, staff looked at the months of July, August, and September and found the following results:



1. The number of complaints increased approximately five times year over year.
2. In 2020, the percentage of complaints relating to noise or parties is approximately 67% of the total complaints.
3. Parking complaints made up about 16% of complaints in 2020.
4. Combined, parties/noise/parking comprise 83% of the complaints in 2020.
5. The percentage of the parties/noise/parking complaints has been consistent year over year.
6. Other complaints pertained to fires, trespassing, over-occupancy, etc.

We are not alone in experiencing a significant increase in noise and party complaints with regards to vacation home rentals. Our vacation rental compliance software provider saw a 250% increase in these complaints across the country. There have been numerous stories in local and national media about the rise in party houses and the term “Zoom Towns” has been used to describe the boom that has come to cities similar to ours during the work-at-home era and unemployment stimulus funds that has resulted from COVID-19. A seemingly constant stream of visitors to the mountains has led to a record high occupancy rate for our vacation rentals.

The three main objectives of the new ordinance are to reduce the number of complaints pertaining to:

1. Parties and noise from vacation rentals at all hours of the day.
2. Parking of vehicles and boat trailers associated with vacation rentals on public streets.
3. The seemingly constant flow of visitors to vacation rentals without providing the community a break from traffic congestion, noise, and trash associated with tourism.

To address these concerns, staff is proposing some significant changes to the requirements of vacation rentals and the guests who occupy them. The following is a summary of the more substantive changes proposed in the new ordinance.

1. No amplified sound to be heard at property line any time of day.
2. No parties, weddings, or special events allowed without City Manager approval 30 days in advance.
3. Establishes a minimum age of 25 for those reserving a vacation unit.
4. All adult guests must sign a "Good Neighbor Brochure" that provides expectations for behavior and an acknowledgement of fines for non-compliance.
5. Requires an online check-in on City website **and** in-person check-in with owner or agent.
6. Prohibits the use of outdoor spas after 10:00 p.m.
7. Limits occupancy to 2 adults per bedroom, plus children (under 18 years of age), with an absolute cap of 16 people.
8. Prohibits parking of vehicles and trailers associated with a vacation rental on residential streets 24/7.
9. Prohibits apartments from being used as vacation rentals.
10. Establishes significant fines and penalties for non-compliance ranging between \$500 and \$10,000.
11. Allows room rentals in a home where the owner is present as a host (Hosted Homestay).
12. Prohibits business entities from being owners of vacation rentals.
13. Prohibits long-term leaseholders from operating a vacation rental.
14. Requires a two-night minimum contract.
15. Limits daytime guests to a vacation rental to a maximum of 4 (no street parking).
16. Requires curb-side trash collection or corporate collection of trash via cleaning crews upon written notice from the City.
17. Requires all vacation rentals to be managed and operated by a certified local owner or a certified management company located in the Big Bear Valley.
18. Requires City Staff to be the first responder to complaints, rather than the current ordinance which relies on the owner or owner's agent to respond.

Each of these changes will help address one or more of the three main objectives of the proposed ordinance. There is little doubt that the visitor profile of 2020 has been different than the traditional visitor profile vacationing in the Big Bear Valley. House parties filled with young adults replaced family reunions and summer vacations. With bars, restaurants, and night clubs closed, guests resorted to partying in our residential neighborhoods.

Policing the behavior of 10,000 visitors every weekend will take more than the efforts of City Staff. We need local management companies that are owned and operated by residents who love Big Bear Lake and are significantly invested in the successful operation of our Vacation Rental Program to help us succeed. The new ordinance requires that an owner either live full-time locally or hire a professional firm (certified by the City) to manage the vacation rental. Working with approximately 10-25 local companies will allow us to be more effective in handling noise, parking, and other behavioral issues of visitors when they arise. These companies are readily able to provide in-person check-ins for all guests in their local offices and can meet with City staff to discuss issues on short notice.

A new provision in the proposed ordinance is that each vacation rental contract must have a term of at least two (2) nights. Staff believes this provision will have a stabilizing effect in our community and will help eliminate the house parties that have been occurring recently. A longer term on contracts will afford neighbors the opportunity to meet the guests, welcome them to our community, and establish neighborly respect. Staff also hopes that this requirement, along with reducing occupancy to 2 per bedroom (plus children), and establishing a minimum age for renters of 25 years old will result in owners renting to more families and mature adults seeking a location for a week-long summer vacation or a long ski weekend during the winter months.

The proposed ordinance, combined with strict enforcement and tough penalties, will assist in the reinforcement of our community's values and expectations for visitors. Our focus is to prevent noise complaints and parking issues that disrupt our neighborhoods and to resolve and punish this behavior as it occurs. Those owners who choose to disregard the ordinance will be removed from the program. Three Code Compliance Officers will be on duty during the busy tourist times, even during weekends and holidays. City Staff will begin to operate the 24/7 call center so that we can better understand the nature of complaints and act immediately. The City will explore new technologies that allow complaint filing and tracking via a mobile application and website to improve communication and increase transparency with residents.

Most certainly, the provisions and strict requirements of the proposed ordinance will dissuade some prospective and current owners from operating a Vacation Rental. The licensing costs will be increased to cover the full cost of operating the program and ensuring compliance of the regulations. For some, the increased cost of operations and/or the increase demand on their time to operate in accordance with the new regulations may result in them leaving the program. If our program is going to be successful, we need owners who are fully engaged in the program, treat their vacation rental like it is their primary home, and are committed to limiting the impacts their guests have on their neighbors.

Staff expects that the November 9th City Council meeting and the November 18th joint meeting of the City Council and the Planning Commission will provide opportunities for the public, current permit holders, and managing agencies to provide feedback on the proposed ordinance and surface issues and suggestions about how the ordinance could more effectively meet our three (3) objectives. Staff does not expect any formal action to be taken on the proposed ordinance until the City Council and the Planning Commission believe the proposal has been well vetted and amended based upon the direction of both bodies. The process of adopting a new ordinance is fluid and there is no reason to rush to adoption. Staff looks forward to hearing from the Council and community and working together to create an ordinance that meets the needs of the community.

ENVIRONMENTAL CONSIDERATIONS

None requiring review under the California Environmental Quality Act (CEQA).

FISCAL IMPACT

There is no fiscal impact associated with the adoption of this ordinance. The license fee will be raised to cover the cost of administering the Vacation Rental Program. City Council will be asked to amend the fee schedule when adopting the new ordinance at a future meeting.

ATTACHMENTS

1. Ordinance No. 2020-xxx

ATTACHMENT 1



CITY OF BIG BEAR LAKE *California*

ORDINANCE NO. 2021-xxx

ORDINANCE APPROVING DEVELOPMENT CODE AMENDMENT 2020- xxx AND AMENDING TITLE 4, SECTION 1 OF THE BIG BEAR LAKE MUNICIPAL CODE PERTAINING TO VACATION RENTALS, AND FINDING THE ACTION EXEMPT FROM THE CALIFORNIA ENVIRONMENTAL QUALITY ACT

WHEREAS, the City of Big Bear Lake, California (the “City”) is a municipal corporation and Charter City, duly organized under the constitution and laws of the State of California; and

WHEREAS, the City of Big Bear Lake is a four-season resort community where tourists visit to escape everyday urban life in order to enjoy a unique mountain experience, including recreation activities, rest and relaxation; and

WHEREAS, the City of Big Bear Lake desires to preserve the residential character of neighborhoods that enhance the quality of life for our residents and provide a peaceful retreat for our visitors; and

WHEREAS, according to the Big Bear Lake General Plan, the local economy is primarily based on tourism, therefore, a guiding principle of the City of Big Bear Lake is to encourage a year-round, well-balanced economic base while recognizing the importance of tourism in the local economy; and

WHEREAS, due to Big Bear Lake’s status as a resort community that offers unique vacation opportunities for large families, the City desires to maintain the ability for visitors to rent family homes for their vacation accommodations; and

WHEREAS, tourism has increased dramatically during the COVID-19 pandemic resulting in extraordinary occupancy rates of vacation rentals and a record high number of complaints associated with the behavior of vacation rental guests; and

WHEREAS, during the past several months there has been a dramatic increase in the number of complaints relating to noise, parties, over-occupancy, and parking issues at vacation rentals; and

WHEREAS, the City Council adopted Ordinance No. 99-300 on August 9, 1999 establishing regulations for Transient Private Home Rentals (vacation rentals); and

WHEREAS, the City Council adopted Ordinance No. 2007-375 on December 10, 2007 amending the Development Code to include provisions for enforcing regulations on Transient Private Home Rentals (vacation rentals); and

WHEREAS, the project is not subject to the California Environmental Quality Act (CEQA) pursuant to Section 15061(b)(3), the general rule that states that CEQA applies only to projects that have the potential for causing a significant effect on the environment. This Municipal Code Amendment does not have the potential to cause a significant effect on the environment

WHEREAS, on November 18, 2020, the City Council and Planning Commission conducted a duly noticed public meeting on the Municipal Code Amendment in Hofert Hall of the Civic and Performing Arts Center, 39707 Big Bear Boulevard, Big Bear Lake, California; and

WHEREAS, on ___ day of ___, 2020, the Planning Commission conducted a duly noticed public hearing on the Development Code Amendment in Hofert Hall of the Civic and Performing Arts Center, 39707 Big Bear Boulevard, Big Bear Lake, California, concluded the public hearing and adopted Resolution PC2020-xx by a vote of X in favor and X against, recommending ___ to the City Council; and

WHEREAS, on ___ day of ___, 2021, the City Council conducted a duly noticed public hearing on the Development Code and Municipal Code Amendment in Hofert Hall of the Civic and Performing Arts Center, 39707 Big Bear Boulevard, Big Bear Lake, CA 92315. The City Council read the title, waived further reading, and introduced an ordinance approving Development Code Amendment 2021-xxx amending Development Code Section 17.03 pertaining to transient private home rentals (vacation rentals) and amending Title 4, Section 1 – Vacation Rentals, and finding the action exempt from CEQA; and

WHEREAS, on ___ day of ___, 2021, the City Council conducted a public meeting on the Development Code amendment in Hofert Hall of the Civic and Performing Arts Center, 39707 Big Bear Boulevard, Big Bear Lake, California, 92315, and adopted an ordinance approving Development Code Amendment 2020-xxx amending Section 17.03 pertaining to transient private home rentals (vacation rentals) and amending Title 4, Section 1 – Vacation Rentals, and finding the action exempt from CEQA; and,

WHEREAS, all legal prerequisites to the adoption of this ordinance have occurred.

NOW, THEREFORE, the City Council does ordain as follows:

Section 1. The City Council hereby specifically finds that all of the facts set forth in the preceding recitals of this ordinance are true and correct.

Section 2. The City Council hereby finds that, based on the public hearing and substantial evidence in the record, the application is not subject to the California Environmental Quality Act (CEQA) pursuant to Section 15061(b)(3), the “common sense” rule that states that CEQA applies only to projects that have the potential for causing a significant effect on the environment. This Municipal Code Amendment does not have potential to cause a significant effect on the environment.

Section 3. Based on the evidence presented to the City Council, including oral and written agenda reports and public testimony during the above-referenced public hearing, the City Council finds as

follows with respect to the Municipal Code Amendment and Development Code Amendment 2020-xxx:

1. The Development Code amendment is consistent with all other related provisions thereof because the amendment does not conflict with other standards and provisions of the Municipal Code and adding provisions to regulate vacation rentals elsewhere in the Municipal Code is in the City's best interest.
2. The Development Code amendment is reasonable and beneficial at this time because it will remove any potential conflict arising from existing regulations pertaining to Transient Private Home Rentals and the new regulations pertaining to Vacation Rentals.

Section 4. Based on the findings and conclusions set forth in Sections 1 and 2, above, the City Council hereby adopts xxx, as provided in ordinance Exhibit 1, attached hereto and incorporated herein by reference.

Section 5. The City Clerk shall certify to the adoption of this ordinance.

PASSED, APPROVED AND ADOPTED THIS ____ day of ____, 2021.

Mayor

ATTEST:

Erica Stephenson, City Clerk

ORDINANCE EXHIBIT 1
AMENDMENT TO DEVELOPMENT CODE SECTIONS 17.03.310 TRANSIENT
PRIVATE HOME RENTALS and 17.03.315 ENFORCEMENT OF TRANSIENT
PRIVATE HOME RENTAL PROVISIONS AND MUNICIPAL
CODE AMENDMENT TITLE 4, SECTION 1

Section 17.03.310 and Section 17.03.315 of the Development Code are hereby deleted in its entirety; and Municipal Code Title 4, Section 1 in its entirety reads as follows:

Title 4 Vacation rentals, special events, and visitor behavior

Chapter 4.01 Vacation Rentals and Home-shares

Section 4.01.010. Purpose

This chapter is intended to provide a procedure to allow the rental of private homes to visitors on a short-term basis. The city has a legitimate interest in protecting the long-term residential character of its residential neighborhoods. This ordinance will allow for the continued use of second homes as vacation rentals and help protect the residential character of neighborhoods, preserve the quality of life of residents, and ensure a peaceful retreat for visitors.

Section 4.01.020. Definitions

For purposes of this chapter, the following words and phrases have the meaning respectively ascribed to them by this Section 4.01.020:

- A. “Apartment” means a room or group of two or more rooms within a building containing separate living facilities for two or more families that is constructed, designed, intended for, or actually used by a single family for living and sleeping purposes for periods of 30 consecutive days or longer.
- B. “Applicant” means the owner or owner’s agent.
- C. “Bedroom” means an area of a vacation rental or home-share that meets the current definition of the California Residential Building Code as adopted by the city.
- D. “Business entity” means a corporation, partnership, or other legal entity that is not one of the following: a natural person; the trustee or beneficiary of a personal or family trust if the trustee or beneficiary is a natural person; a limited liability company or a limited liability partnership if the LLC or LLP consists solely of natural persons.

- E. “Change of property ownership” means any transfer of an interest in the property from one legal person to another, except for a mortgage or deed of trust interest given to secure a loan. Foreclosure or a deed of trust sale is a change of property ownership.
- F. “Contract” means an agreement oral or written, express or implied, for occupancy of a vacation rental or home-share in exchange for anything of value.
- G. “Daytime hours” means the hours between 10:00 am and 10:00 pm.
- H. “Daytime guests” mean invited guests of the occupants who are present at a vacation rental or home-share during daytime hours.
- I. “Enforcement official” means the city manager, the county sheriff, the building official, the tourism management director, or one or more of their respective designees.
- J. “Exclusive listing arrangement” means a written agreement between an owner and an owner’s agent where the owner’s agent has the sole and exclusive right to rent or lease a vacation rental or home-share to occupants and the owner is prevented from renting or leasing the vacation rental or home-share except through the owner’s agent.
- K. “Good cause” for the purposes of denial, suspension, revocation, imposition of conditions, renewal, and reinstatement of a license, means that (1) the licensee has failed to comply with any of the terms, conditions, or provisions of this chapter or any relevant provision of this code, state or federal law, or any rule or regulation promulgated thereunder; or (2) the licensee has failed to comply with any condition that was placed upon the license; or (3) the vacation rental or home-share has been operated in a manner that adversely affects the public health or welfare or the safety of the immediate neighborhood in which the vacation rental or home-share is located.
- L. “Good-neighbor brochure” means a document prepared by the enforcement official that summarizes general rules of conduct, consideration, and respect, including without limitation provisions of the Big Bear Lake Municipal Code applicable to or expected of guests in the city.
- M. “Home-share” means a portion of an owner’s home that is subject to home-sharing as provided in this chapter.
- N. “Home-sharing” means an activity whereby the owner hosts occupants in the owner’s home, for compensation, for a short-term period, while the owner resides on-site and occupies the home throughout the visitor’s stay.
- O. “Home-share license” means the annual operating license for a home-share issued by the city in accordance with this chapter.
- P. “Host” means an owner or owner’s agent who advertises a vacation rental or home-share on a hosting platform.
- Q. “Hosting platform” means a person or entity who participates in home-sharing or vacation rentals by collecting or receiving a fee, directly or indirectly through an agent or

intermediary, for conducting a booking transaction using any medium of facilitation. Examples include, but are not limited to, VRBO.com, Airbnb.com, homestay.com and other internet and non-internet based services that facilitate bookings or other vacation rental or home-share transactions for a fee.

- R. “Hotline” means telephonic or email service operated by or for the city for the purpose of receiving complaints regarding the operation of any vacation rental or home-share and the forwarding of such complaints to the appropriate city enforcement official and the owner or owner’s agent. For purposes of this chapter, the term “Hotline” also includes any contact in person or by telephone, email, and digital or electronic communication, or correspondence of any kind to or from any enforcement official.
- S. “License” means a vacation rental license or home-share license.
- T. “Occupants” means all persons authorized under a contract to stay overnight at a vacation rental or home-share, unless they are daytime guests as defined above.
- U. “Owner” means a person who holds record title to the property except that “Owner” does not include a business entity, a long-term lease holder of the property, or a person or entity holding a “master lease” on the property seeking to sublease the property.
- V. “Owner’s agent” means a contracted property manager who is certified by the city, with a brick-and-mortar business location in the Big Bear Valley and a current business license in the city, who is available 24 hours a day, seven days a week to respond in-person at the vacation rental to a complaint regarding the condition, operation, or conduct of occupants or daytime guests at the vacation rental, and who is authorized by the owner to take remedial action.
- W. “Property” means a residential legal lot of record on which a vacation rental or home-share is located. Only one license is allowed per property in single-family zoning districts.
- X. “Rental term” means the period of time a responsible person rents or leases a vacation rental.
- Y. “Responsible person” means an occupant of a vacation rental who is at least 25 years of age and who agrees to be legally responsible for compliance of all occupants of the vacation rental or home-share and their daytime guests with all provisions of this chapter and this code.
- Z. “Short-term” means for a period of 30 or fewer consecutive days, counting a partial calendar day as a full day.
- AA. “Vacation rental” means a single-family dwelling, or any portion thereof, that is utilized for short-term occupancy for dwelling, lodging, or sleeping purposes without the owner being present, other than: an ongoing month-to-month tenancy granted to the same renter for the same unit; occupancy of a time-share basis; or a condominium hotel. The term “vacation rental” is synonymous with “short term rental” and “transient private home rental.”

- BB. “Vacation rental license” or “VR license” means the annual operating license for a vacation rental issued by the city in accordance with this chapter.

Section 4.01.030. License Required.

- A. No vacation rental may be advertised or operated without a current vacation rental license. No home-share may be advertised or operated without a current home-share license.
- B. A license may only be issued to an owner.
- C. The current license number as issued by the city and the maximum number of occupants allowed on the premises shall be displayed in a clear and legible manner in a conspicuous and easily accessible location in the vacation rental or home-share and on all advertising related to each vacation rental or home-share, including without limitation, in all web-based advertising, on a hosting platform, in print media, and on television. It is the owner’s responsibility to ensure that a valid license number is displayed in the advertisement in accordance with this paragraph. A hosting platform must provide an owner with the ability to publish the number in the listing. It is not the hosting platform’s duty to verify the validity of the registration number, but the hosting platform must take down any listing without a valid registration number once notified by the city or the city’s agent.
- D. No sign or advertisement of any kind is permitted on the property where the vacation rental or home-share is located.
- E. The issuance and or renewal of a license shall be deemed evidence that the holder of such license has registered a vacation rental or home-share with the city and that the holder acknowledges the holder’s obligation to comply with all provisions of this chapter and the municipal code. The issuance of a license shall not be construed as bestowing or granting any vested right or entitlement.

Section 4.01.040. Agency

- A. An owner shall either fulfill every obligation under this chapter personally or shall retain an owner’s agent with an exclusive listing arrangement to fulfill every obligation of this chapter, including, without limitation, applying for and obtaining a valid vacation rental license, the leasing and management of the vacation rental, the collection and payment to the city of all transient occupancy taxes due and payable on the vacation rental, and providing 24/7 in-person, on-site responses to complaints. The owner’s agent shall maintain a brick-and-mortar business location in the Big Bear Valley, have a valid business license from the city, and be certified by the city in accordance with Section 4.01.050.G of this chapter. The owner and owner’s agent must have the authority to evict any occupant or daytime guest from the vacation rental for violation of any provision of this chapter or regulation thereof. Except as provided in Section 4.01.040.B below and notwithstanding any agency relationships between an owner and the owner’s agent, the owner of the vacation rental unit or units shall execute all applications and documentary requirements as provided in this chapter and shall remain responsible for compliance with the provisions of this chapter. The failure of an agent to comply with this chapter shall not relieve the owner of the owner’s obligations under the provisions of this chapter.

- B. The license may be obtained, and the requirements provided in this chapter may be performed, by the owner's agent and not by the owner; however, the owner's agent shall separately account all revenues and costs on a per property basis, including without limitation the number of contracts, transient occupancy taxes, and the gross receipt amounts used to calculate such taxes.

Section 4.01.050. Licensing and TOT Registration Requirements.

- A. Prior to use or advertisement of a property as a vacation rental or home-share, and annually thereafter, the licensee shall obtain the appropriate license. The license application may require evidence of insurance, successful property inspection report, an executed indemnification and hold harmless agreement, and other pertinent materials at the discretion of the city manager.
- B. The license application shall be accompanied by a fee established by resolution of the city council; provided, however, the fee shall be no greater than necessary to defer the cost incurred by the city in administering the provisions of this chapter.
- C. A license shall be denied if a license for the same unit and issued to the same owner or owner's agent has previously been revoked. The denial of a license for any reason may be appealed to the city manager.
- D. Upon change of property ownership, the license shall expire and the property shall not be used as a vacation rental or home-share until the new or successor owner is issued a license for the property in accordance with the terms of this chapter.
- E. If there is a change in designation of the owner's agent or in any other material fact set forth in the license application, a change in the license shall be required to continue operation of the vacation rental or home-share. The owner or owner's agent shall submit the required registration and change fee within seven days of the change.
- F. Prior to any change of property ownership or after an event that results in the vacation or home-share no longer being used as such, the owner or the owner's agent shall cancel the license. No refunds of any fees assessed as part of the licensing process will be issued for a cancelled license.
- G. Each applicant and each licensee, including without limitation the owner and the owner's agent, shall annually attend and successfully pass an educational program and test devised and administered by the city manager for the purpose of training licensees, on their respective roles and responsibilities in the successful administration and compliance with the city's vacation rental and home-share program. Licenses will not be issued or renewed until the owner and has successfully passed such test and contracted with a certified owner's agent, if applicable.

Section 4.01.060. Operational Requirements and Standard Conditions

- A. The owner and owner's agent shall ensure that the vacation rental or home-share complies with all applicable codes regarding fire, building and safety, health and safety, and all other relevant laws.
- B. An owner fulfilling in-person obligations under this chapter in connection with a vacation rental may operate from a home office. An owner's agent fulfilling in-person obligations under this chapter in connection with a vacation rental shall maintain an office location in a commercially zoned location in the Big Bear Valley.
- C. All advertisements for rental of a vacation rental or home-share must contain a valid license number for the unit.
- D. All hosting platforms shall notify hosts that advertising a vacation rental or home-share in the city without a valid license is illegal. All hosting platforms shall provide hosts with the ability to enter a license number as a separate field in the listing, and shall ensure that the license number provided by a host is clearly and prominently displayed in every full or partial listing of the property. A hosting platform shall take down a non-compliant listing immediately upon receiving notice of such from the city. A hosting platform shall provide an owner with detailed transaction-level information, including dates, duration, address, host ID, listing ID, license number, nightly rate, and details of every amount paid by all vacation rentals and home-shares within the city upon request by an owner.
- E. Each contract shall be for a minimum period of two nights.
- F. The owner or owner's agent shall limit overnight (10:00 p.m. – 10:00 a.m.) occupancy of the vacation rental or home-share to a specific number of occupants, with the maximum number of occupants as no more than two adults per bedroom, except that owner applicant may allow minor children, age 17 or under, to occupy the vacation rental or home-share in addition to the maximum number of occupants otherwise provided in this Section 4.01.060.F. In no event shall the overnight occupancy exceed 16 persons. The number of bedrooms in a vacation rental or home-share shall be verified by the enforcement official using county assessor or city building records or a physical inspection of the premises, or some combination of them, prior to the issuance of a license. Construction or alteration of the structure to increase the number of bedrooms for the purposes of increasing the number of people allowed to occupy the unit is prohibited. The number of bedrooms used to calculate occupancy shall be limited to the number of bedrooms legally established in the unit.
- G. No more than one automobile per bedroom is allowed for each vacation rental or home-share. One off-street parking space must be provided and maintained free from obstruction for each allowed automobile. No trailer or vehicle of any kind is allowed at a vacation rental or home-share unless there is off-street parking for the trailer or vehicle.
- H. The owner or owner's agent may also allow up to four daytime guests in addition to the total number of overnight occupants allowed under this Section 4.01.060.H. Parking for the vehicles of daytime guests must always be provided on-site in a driveway or garage.

- I. Unless the owner or owner's agent obtains written approval from the city manager at least 30 days prior to the event, an owner may not cause or allow the advertisement or use of a vacation rental or home-share for an event, including parties, weddings, special events, and any other gathering that will attract more occupants to the property than allowed by the license.
- J. During the rental term that each vacation rental is rented, the owner or the owner's agent, shall (1) respond by telephone within 15 minutes of written or oral notice by an enforcement officer of a complaint and (2) respond in person and on-site at the vacation rental or home-share within 30 minutes to any complaint regarding the condition, operation, or conduct of occupants of the vacation rental or home-share. (For the purpose of this paragraph, the owner of a home-share must respond in person within the allotted time if the owner is away from the property during the day.)
- K. The owner or owner's agent shall use reasonably prudent business practices to ensure that the occupants and daytime occupants of the vacation rental unit do not create unreasonable noise disturbances, engage in disorderly conduct, or violate provisions of the municipal code or any state law.
- L. Any radio receiver, musical instrument, phonograph, loudspeaker, sound amplifier, or any machine or device for the producing or reproducing of any sound shall be conducted within a fully enclosed vacation rental unit and shall not be audible at the property line of the vacation rental at any time.
- M. Prior to occupancy under a separate occasion of rental of a vacation rental, the owner or the owner's agent shall enter into a written contract with a responsible person where (1) the responsible person will provide the responsible person's name, age, address, and a copy of a government issued identification; (2) establishes and sets out the terms and conditions of the contract, including without limitation occupancy limits, noise prohibitions, and vehicle parking requirements; (3) requires the responsible person to acknowledge and agree that he or she is legally responsible for compliance of all occupants of the vacation rental or their daytime guests with all provisions of this chapter and the municipal code; (4) the owner or the owner's agent provides a copy of the "Good Neighbor Brochure" to the responsible person; (5) the responsible person provides a list of all guests by name; and (6) the responsible person provides a list of all guests' vehicles, including license plate numbers. A copy of executed contract shall be left at the property and be available for inspection upon request of the enforcement official. Each contract shall be maintained by the owner or the owner's agent for a minimum of two years and shall be readily available for inspection upon request of the enforcement official. The city may require an online check-in and rule acknowledgement process for all responsible persons to complete prior to being able to check-in to a vacation rental.
- N. For a vacation rental, the owner's agent shall meet the responsible party in person at the the owner's agent's office, and for an owner fulfilling in-person obligations or home-share, the owner shall meet the responsible party at the property, prior to any occupant taking occupancy and shall verbally describe and explain all rules and regulations applicable to the use of the property and the responsibilities of the responsible party to the neighbors, to the city, and to the owner. Prior to occupancy, the owner or owner's agent shall secure the

signature of the responsible party and all adult occupants and daytime guests to a statement of rules and regulations prepared by the enforcement officer. A copy of the signed acknowledgement of rules shall be stored in the vacation rental or home-share and must be presented for inspection upon the request of the enforcement officer.

- O. The owner or owner's agent shall post a copy of the license and a copy of the conditions set forth in this chapter, including all rules and regulations applicable to the use of the property as a vacation rental or home-share, on the inside of the front door and the primary door to the backyard or in a conspicuous location near each such door.
- P. The owner or owner's agent shall provide each occupant with the following information prior to occupancy of the unit and post such information in a conspicuous place within the unit:
 - 1. The name of the owner or owner's agent of the unit, and a telephone number at which the owner or owner's agent may be reached on a 24-hour basis;
 - 2. The maximum number of occupants permitted during the day and the number permitted after 10:00 p.m.;
 - 3. The trash pick-up day and applicable rules and regulations pertaining to leaving or storing trash or refuse on the exterior of the property;
 - 4. Notification that any radio receiver, musical instrument, phonograph, loudspeaker, sound amplifier, or any machine or device for the producing or reproducing of any sound shall only be operated within a fully enclosed vacation rental unit and shall not be audible at the property line of the vacation rental at any time;
 - 5. Notification that the use of an outdoor spa and outdoor activities that disturb the peace of the neighborhood are to cease at 10:00 p.m.;
 - 6. Notification that outdoor wood-burning fires are prohibited;
 - 7. Notification that the occupant may be cited or fined by the city and immediately evicted by the owner or owner's agent in accordance with state law, in addition to any other remedies available at law, for creating a disturbance or for violating any provision of this chapter;
 - 8. Notification that failure to conform to the occupancy requirements is a violation of this chapter;
 - 9. A copy of the good-neighbor brochure as it may be amended from time to time.
- Q. The enforcement official shall be the first responder and have primary responsibility for the enforcement of this chapter. In the event the enforcement official notifies the owner, or owner's agent that the responsible person, including any occupant or daytime occupant of the vacation rental unit, has created unreasonable noise or disturbances, engaged in disorderly conduct, or committed a violation of a provision of the municipal code or any state law, the owner or owner's agent shall promptly respond in a timely and appropriate

manner to prevent a recurrence of such conduct by those occupants or guests, and evict one or more of the guests when requested by the enforcement official. For the purpose of this Section 4.01.060.Q and Section 4.01.060.R below, the phrase “in a timely and appropriate manner” means on-site and in-person within 30 minutes for any call from the enforcement official.

- R. Failure of the owner or his or her agent to respond to calls or complaints regarding the condition, operation, or conduct of occupants of the vacation rental in a timely and appropriate manner shall be grounds for imposition of penalties as set forth in this chapter. It is not intended that an owner or owner’s agent act as a peace officer or place himself or herself in an at-risk situation.
- S. Within 30 days of notification from the city, the owner or the owner’s agent shall contract for curbside pick-up of trash and shall not refer vacation rental guests to utilize disposal drop-off locations in the city. Trash and refuse shall not be left stored within public view, except in proper containers for the purpose of collection by the collectors no more than 12 hours prior to the normal collection time and shall be removed within 24 hours after collection.
- T. The use of a vacation rental unit shall not violate any applicable conditions, covenants, or other restrictions on real property.
- U. The owner and owner’s agent owner shall comply with all provisions of Chapter 3.20 of the municipal code concerning transient occupancy taxes.
- V. Construction activities shall not be performed between the hours of 7:00 p.m. and 7:00 a.m., Monday through Saturday, nor at any time on Sundays, except in the case of an emergency or the occurrence of an unexpected event that reasonable warrants a timely or immediate response.

Section 4.01.070. Specific Prohibitions Relating to apartments

- A. No person or entity shall offer or provide an apartment, or any portion thereof, for short-term rent.
- B. No person or entity shall maintain any advertisement of a vacation rental that is in violation of any provision of this chapter.
- C. No person, including without limitation, an apartment owner, an apartment manager, or a representative of the apartment owner or manager, shall evict any tenant or otherwise terminate a lease for the purpose of converting an apartment to a vacation rental or in anticipation of converting an apartment to a vacation rental.

Section 4.01.080. Home-shares

- A. Home-sharing shall be authorized in the city, provided that the owner complies with each of the following requirements:
- B. Obtains and maintains at all times a home-share license;

- C. Takes responsibility for and actively prevents any nuisance activities that may take place as a result of home-sharing activities;
- D. Complies with all applicable regulations of this chapter.
- E. If the owner of a home-share does not occupy the home-share or is away from the property during the day and is not able to respond within 30 minutes to complaints, the property shall be deemed a vacation rental and the owner shall be required to fully comply with the provisions of this chapter relating to vacation rentals, including without limitation, securing a license.

Section 4.01.090. Audit.

Each owner and owner's agent shall provide the enforcement official with access to the vacation rental or home-share and to related books, records, documents, papers, tax returns, and bank accounts at any time during normal business hours as the enforcement official may determine are necessary or convenient for the purpose of inspection or audit to determine that the objectives and conditions of this chapter are being fulfilled.

Section 4.01.100. Hosting Platform Responsibilities.

Subject to applicable laws, hosting platforms shall, upon written request by the city, disclose to the city each vacation rental and home-share listing located in the city, the host ID, listing ID, and names of the persons responsible for each such listing, the address of each such listing, the length of stay for each such listing and the price paid for each stay.

Section 4.01.110. Violations

- A. Any person who violates a provision of this chapter is subject to criminal sanctions and administrative and civil penalties under this code and the specific penalties as provided in this chapter. Any person or entity who advertises, uses, or allows the use of, residential property in violation of the provisions in this chapter is guilty of a misdemeanor for each day in which such residential property is advertised, used, or allowed to be used, in violation of this chapter. An administrative citation issued for a first violation of this chapter shall be \$500.00 and each subsequent violation shall be \$1,000.00. Each administrative citation for a violation of any provision of this chapter may be levied or assessed against one or more of: the owner, the owner's agent, a hosting platform, and the Responsible Party. The city may initiate revocation of a license after one violation.
- B. In addition, any person who operates a vacation rental without a license shall be liable to the city for the payment of transient occupancy tax pursuant to the provisions of Chapter 3.20 of this code, including without limitation penalties and interest, payment of an administrative fine in the amount of \$5,000.00, and permanent ineligibility to operate a vacation rental in the city. In the event that the person continues to operate a vacation rental without a license, the person shall be liable for an administrative fine in the amount of \$10,000.00 and any successive violations shall be subject to fines provided in an escalation formula established by the city council by resolution.
- C. Any person who advertises a vacation rental without including the license number in the advertisement, or who operates a vacation rental without a contract, or without providing

the city with a summary or abstract of such contract when requested, or without timely tendering full monthly payments of transient occupancy tax, shall pay a fine in the amount of \$2,500.00; the owner's license shall be revoked or, at the city manager's election, merely suspended for six months for a first offense and shall pay a fine in the amount of \$5,000.00; and the owner's license shall be revoked for a second offense, if not revoked already.

- D. The failure of an owner or the owner's agent to comply with an order of any police officer shall result in the revocation of the license.
- E. The appeal and hearing provisions of Section 1.17.070 shall apply to any revocation or suspension of a license or to the imposition of any additional condition.
- F. Any person who fails to pay any fee or charge provided in this chapter within the time required, shall pay a penalty in the amounts established by the city council by resolution. Such penalty may also include interest from the date on which the fee or charge became due and payable to the city until the date of payment.
- G. The filing of knowingly false or frivolous claims against a vacation rental or home-share owner or owner's agent or against occupants or daytime guests staying in a vacation rental is prohibited and shall be punishable by an administrative fine of \$250.00 as provided in Chapter 1.17 of this code.
- H. In addition to, and not in lieu of, any other remedy allowed by law, all remedies prescribed under this chapter are cumulative and the election of one or more remedies does not bar the city from the pursuit of any other remedy, criminal, civil, or administrative that may be pursued by the city to enforce this chapter or address any violation of this code or to remedy any other public nuisance.

Section 4.01.120. Requirements Not Exclusive.

The requirements of this chapter are in addition to any license, permit, or fee required under any other provision of this code. The issuance of any permit pursuant to this chapter shall not relieve any person of the obligation to comply with all other provisions of this code pertaining to the use and occupancy of vacation rental or the property on which it is located.