



Honorable Mayor and Members of the Hermosa Beach City Council

REPORT ON THE CITY’S REGULATION OF SHORT-TERM VACATION RENTALS

CEQA: This report is not a “project” under CEQA. In the alternative, this report falls within the “common sense” exemption set forth in State CEQA Guidelines section 15061(b)(3).

(City Attorney Patrick Donegan)

Recommended Action:

Staff recommends City Council receive a report on the City’s short-term vacation rental ordinance and provide direction, if so desired.

Executive Summary:

As requested by the City Council at its February 25, 2025 meeting, staff presents this report regarding the City’s current regulations on short-term vacation rentals (STVRs). Additional information on options to possibly allow short-term rental use for owner occupied residences is also provided and a discussion on appeals of recent administrative citations issued under the City STVR’s rules will be presented.

Background:

At its February 25, 2025 meeting, Mayor Francois requested, and Councilmember Keegan supported, a future agenda item to discuss the City’s STVR regulations and related information regarding possible amendments to allow STVR usage in certain circumstances and an update on recent appeals of administrative citations issued under the City’s STVR rules.

Past Board, Commission, and Council Actions

Meeting Date	Description
February 25, 2025	Under tentative future agenda items, Mayor Francois requested, and Councilmember Keegan supported, a future agenda item regarding STVRs.

Discussion:

Hermosa Beach Municipal Code (“HBMC”) section 17.04.040 defines short- term vacation rental to mean:

the rental of a residential dwelling, a dwelling unit or a room in a dwelling for compensation by way of a rental agreement, lease, license or any other means, whether oral or written to a person or group of persons for temporary overnight accommodations for a period of less than thirty (30) consecutive days. Short-term vacation rentals are also known as "short-term vacation rental" and "vacation rentals."

HBMC section 17.42.180 contains the substantive regulations regarding STVR use in the City. HBMC section 17.42.180 prohibits STVR use in the City except in nonconforming residential units in the following zones in the City: C-2; C-3; SPA 7, SPA 8, and SPA 11. STVR use is prohibited in all areas of the City, including all residential zones, except for certain existing nonconforming residential dwellings in certain commercial zones in the City. Subsection (A) of section 17.42.180 requires the application and issuance of a permit prior to any STVR use with certain operational and inspection requirements. There are approximately 145 dwelling units in the aforementioned commercial zones that could be eligible for STVR use provided a permit is applied for and issued. There are 10 active business licenses for approximately 20 STVRs in the City.

The advertisement of STVRs in violation of the above restrictions is also prohibited.

Some jurisdictions (San Francisco, West Hollywood, *etc.*), are more permissive in allowing STVRs in all or more parts of its respective jurisdictions, including residential zones, by those offering rooms or portions of their homes/properties for STVR use provided it is the "primary residence" of the natural person offering the STVR use. If an individual resident demonstrates the property at issue is their "primary residence" then they are permitted to use that property for a STVR use provided a permit is obtained and the property is operated consistent with the applicable standards. "Primary residence" means any residential unit that the owner or leaseholder resides in for at least two hundred seventy days per year and someone can only have a single primary residence. San Francisco requires someone to reside in the unit for at least 60 days prior to any STVR use.

Any change to the City's STVR rules (which are located in the City's Zoning Ordinance) would require consideration and recommendation by the Planning Commission prior to any formal City Council action.

Environmental Review:

This discussion is not a "project" subject to CEQA" because it has no potential to result in either a direct, or reasonably foreseeable indirect, physical change in the environment. (State CEQA Guidelines, § 15378(a).) In the alternative, the discussion falls within the "common sense" exemption set forth in State CEQA Guidelines section 15061(b)(3), which exempts activity from CEQA where "it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment."

General Plan Consistency:

This report and associated recommendation have been evaluated for their consistency with the City's General Plan. Relevant Policies are listed below:

Governance Element

Goal 1. A high degree of transparency and integrity in the decision-making process.

Policy:

- **1.4 Consensus oriented.** Strive to utilize a consensus-oriented decision-making process.

Goal 2 The community is active and engaged in decision-making processes.

Policy:

- **2.6 Responsive to community needs.** Continue to be responsive to community inquiries, providing public information and recording feedback from community interactions.

Land Use Element

Goal 2 Neighborhoods provide for diverse needs of residents of all ages and abilities, and are organized to support healthy and active lifestyles.

Policy:

- **2.6 Neighborhood preservation.** Preserve and enhance the quality of residential neighborhoods by avoiding or abating the intrusion of disruptive, nonconforming buildings and uses

Fiscal Impact:

There is no fiscal impact associated with the recommended action.

Attachment:

None

Respectfully Submitted by: Patrick Donegan, City Attorney

Concur: Myra Maravilla, City Clerk

Legal Review: Patrick Donegan, City Attorney

Reviewed by: Angela Crespi, Deputy City Manager

Approved: Suja Lowenthal, City Manager