

Aaron Schulze

From: Orange City STRs <orangecitystr@gmail.com>
Sent: Monday, October 26, 2020 8:01 AM
To: mark@markamurphy.com; councilinfo; cminfo
Cc: Aaron Schulze; Mary Binning; Anna Pehoushek
Subject: Nov 10 Council Agenda: STR / Homeowners' Recommendations

Dear Mayor Murphy, Honorable City Council Members, City Manager and Staff,

I lead the Orange STR homeowners group which has provided input to the City Manager's Staff, the City Council and the Planning Commission at various points since January 2020. Our group of almost 30 resident-homeowners would like to submit an updated list of recommendations and outstanding questions before the Council's November 10 consideration of an STR ordinance for the City of Orange.

First, we'd like to thank the City Council and the City Manager's Staff, in particular Aaron Schulze, for being open to our feedback. It's worth noting that our engagement with the City of Orange has inspired outreach from other cities' STR groups, seeking guidance on how best to work with their respective city governments, create opportunities for dialogue and, ultimately, to effect code that works best for both sides. Cities looking at the Orange outcome include: Huntington Beach, Portland, Denver, Annapolis, Las Vegas and Asheville NC. We hope our collaboration can continue and that the City of Orange can ultimately draft a well-thought out code that can serve as a template for the other cities nationwide.

As such, we respectfully offer below recommendations on the most recent ordinance draft.

1. In Section 5.94.060.G (Good Neighbor policy), we recommend to:

- add 'response time' to this section with 60 mins by phone, 90 mins in-person 'with reasonable consideration'
- remove G.2 requirement for signature from 14-17 year olds. We are not comfortable with the requirement to collect a binding consent from minors and feel signature from the primary contracting guest (21+ y/o) should suffice.
- confirm electronic consent of House Rules is OK (especially w/ recent COVID concerns)
- clarify parking requirements to include street parking in front of STR property
- adjust quiet hours to 10pm – 7am, to align with Section 8.24 of the City of Orange Ordinance
- inspections - replace 'as it deems necessary or prudent' with 'with probable cause.' The STR group is concerned about overreach vis-a-vis 4th Amendment of the US Constitution

2. As the resolution calls for City Council direction on number of STR permits allowed, we suggest a higher cap in order to provide more TOT, sales tax revenue and greater local business opportunities (including for STRs). Our suggestion would be no less than 600 permits.

3. Section 5.94.070 (Offenses), we request the City Council:

- align with many other city ordinances and remove response time as an infraction
- add a pre-revocation of permit citation appeals process, as the City of Garden Grove has, to ensure STR homeowners can arbitrate unfounded complaints from harassing neighbors
- remove 5.94.070.B.1.d and 5.94.070.B.2.k as both are too open-ended
- move 5.94.070.B.2 b, c, d and e from major to minor offenses
- keep 5.94.070.B.2 f, g, h, i, j as major offenses

4. As the resolution calls for City Council direction on fines, we suggest:

- First Offense: \$100 (minor); \$500 (major)
- Second Offense (w/in 12 mos & same property): \$200 (minor); \$750 (major)
- Third Offense (w/in 12 mos & same property): \$500 (minor)

We would also like to request wording confirming STR indemnification for noise, max occupancy and criminal activity. That is, any fines can be re-assigned to occupants for any guest-led infringements.

5. Section 5.94.080 (STR Platforms), we recommend to:

- add provision for automated, direct City TOT collection by STR platforms. Note: Orange STR homeowners requested this function of Airbnb in the Spring of 2020 and it is now available.
- add one-word to Section A.2.a: "The total number of *active* Short Term Rentals in the city listed on the platform during the applicable reporting period"
- add one-word to Section A.2.b: "The total number of *qualifying* nights all short term rental units were rented through the platform during the applicable reporting period"
- review any final versions of this ordinance, especially this section, with key STR platforms

Orange STR Homewoners' outstanding questions for the City Staff and Council are:

1. Will the STR license fee be the same as the City of Orange business license fee (\$60/yr)?
2. What will the TOT tax rate be?

As we understand above recommendations and questions may be better addressed through conversation, we would welcome a Zoom call or safely-distanced in-person meeting to discuss prior to the City Council consideration on Nov 10th. If this makes sense, please let us know best forum and dates that work for any interested council members so we can arrange.

Thanks again for your cooperation and consideration

Susan Tillou & the City of Orange STR homeowners group