

**SUBMITTAL TO THE BOARD OF SUPERVISORS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**



ITEM: 3.2
(ID # 16983)

MEETING DATE:
Tuesday, August 24, 2021

FROM : EXECUTIVE OFFICE:

SUBJECT: EXECUTIVE OFFICE: Approval of the Transportation Land Management Agency's Response to the 2020-2021 Grand Jury Report: Short Term Rentals and Direct the Response to the Grand Jury, Presiding Judge, and County Clerk-Recorder (for mandatory filing with the state), All Districts. [\$0]

RECOMMENDED MOTION: That the Board of Supervisors:

1. Approve, with or without modification, the attached response to the 2020-2021 Grand Jury Report: Short Term Rentals; and
2. Direct the Clerk of the Board to immediately forward the Board's finalized responses to the Grand Jury, the Presiding Judge and to the County Clerk-Recorder (for mandatory filing with the state).

ACTION:Policy

Juan C. Perez, Chief Operating Officer

8/19/2021

MINUTES OF THE BOARD OF SUPERVISORS

On motion of Supervisor Perez, seconded by Supervisor Hewitt and duly carried by unanimous vote, IT WAS ORDERED that the above matter is approved as recommended.

Ayes: Jeffries, Spiegel, Washington, Perez and Hewitt
Nays: None
Absent: None
Date: August 24, 2021
xc: EO, Grand Jury, Presiding Judge, TLMA, Recorder

Kecia R. Harper
Clerk of the Board

By:
Deputy

**SUBMITTAL TO THE BOARD OF SUPERVISORS COUNTY OF RIVERSIDE,
STATE OF CALIFORNIA**

FINANCIAL DATA	Current Fiscal Year:	Next Fiscal Year:	Total Cost:	Ongoing Cost
COST	N/A	N/A	N/A	N/A
NET COUNTY COST	N/A	N/A	N/A	N/A
SOURCE OF FUNDS: N/A			Budget Adjustment:	No
			For Fiscal Year:	20/21

C.E.O. RECOMMENDATION: Approve

BACKGROUND:

Summary

Penal Code Section 933(c) requires Board of Supervisors comment on the Grand Jury's recommendations pertaining to matters under the Board's control. In addition, responses must be provided to the Presiding Judge of the Superior Court within 90 days of receipt of the report.

ATTACHMENTS:

ATTACHMENT A. Grand Jury Report on Short Term Rentals

ATTACHMENT B. Grand Jury Response - TLMA



 Gregory F. Priantos, Director County Counsel 8/16/2021



RIVERSIDE COUNTY GRAND JURY

(951) 955-8990 OFFICE • (951) 955-8989 FAX

June 7, 2021

Riverside County Transportation & Land Management
Charissa Leach
4080 Lemon Street, 14th Floor
Riverside, CA 92501

Subject: 2020-2021 Grand Jury Report: SHORT TERM RENTALS

Dear Director Leach:

Please note that Penal Code Section 933 et seq. specifies that you file a response with the following agencies within ninety days.

John M. Monterosso, Presiding Judge
Superior Court of California, County of Riverside
4050 Main Street
Riverside, CA 92501

Riverside County Grand Jury
Post Office Box 829
Riverside, CA 92502

Riverside County Clerk-Recorder
2720 Gateway Drive
Riverside, CA 92507

Further, it specifies that this report be kept **confidential for a minimum of two working days** prior to public release. The contents of this report will be made public after the close of business **June 9, 2021**.

Sincerely,

Wendela Evans, Foreperson
2020-2021 Riverside County Civil Grand Jury

2020 – 2021 Civil Grand Jury

Short Term Rentals

Summary

In 2016, the Riverside County Board of Supervisors adopted Ordinance 927 to “establish regulations for the use of privately owned residential dwellings as short term rentals to minimize the negative secondary effects on surrounding properties and to ensure the collection and payment of transient occupancy taxes”.¹ The generally accepted definition of a Short Term Rental (STR) is a privately owned residential dwelling rented for occupancy for dwelling, lodging or sleeping purposes for any period less than thirty consecutive days.

As of December 2020, Riverside County (RIVCO) had collected \$5,608,904.08 in Transient Occupancy Taxes (TOT) from Short Term Rentals for the years 2016 through 2020.² The transient occupancy tax rate is 10% of the rent of an STR. It is estimated the rent collected for these years amounted to over \$56 million dollars. Both the STR owners, and RIVCO have benefitted monetarily from the growth of this industry.

Ordinance 927 was designed to minimize the negative secondary effects on surrounding properties. The Riverside County Civil Grand Jury (Civil Grand Jury) maintains that the enforcement piece of the puzzle has yet to be solved. RIVCO decided to revise Ordinance 927 to “ensure protection of the health and safety of residents and guests and to protect the environment. It is the purpose of this ordinance to provide regulations and standards for short term rentals...”³

The draft revision of Ordinance 927 (927.1) proposes new standards for STRs that will improve the enforcement aspect of the ordinance. The Civil Grand Jury researched restrictions and requirements utilized by other counties in order to understand what is currently being employed. Based on this research, which included interviews with various RIVCO personnel, the Civil Grand Jury is providing Riverside County with recommendations for additional standards to be included in the revised ordinance.

These recommendations include inspections of the STR locations (either virtually, onsite or in combination); verifying the 24/7 local contact number; increasing STR renewal fees to cover the cost of additional code enforcement

¹ RIVCO Ordinance 927

² Tax Collector e-mail dated January 21, 2021

³ RIVCO Draft Ordinance 927.1

personnel; establishing a formal on-line complaint process for STR neighbors with a required county response; and requiring the STR owner to sign a defense and indemnification agreement.

The Civil Grand Jury investigated the processes and procedures for administering the STR and TOT certificates. The Civil Grand Jury discovered some discrepancies and recommends solutions for correcting and minimizing them going forward.

Background

In 2008, two young entrepreneurs decided to capitalize on the shortage of accommodations for a convention occurring in San Francisco by advertising bed space available on an air mattress in their apartment. Their idea eventually grew into a viable business named Air Bed & Breakfast, soon shortened to Airbnb, and eventually giving birth to the Short Term Rental industry.⁴ The rest, as they say, is history. As the industry grew, problems developed due to the many “party houses” that proliferated along with the mostly unobtrusive rental clientele. As a result, regulations and restrictions were introduced by cities and counties to deter objectionable behavior.

In January 2016, RIVCO adopted Ordinance 927 for the purpose of regulating Short Term Rentals. The ordinance was introduced and sponsored by the Supervisors of the Fifth and Third Districts, where most of RIVCO’s STRs were located. RIVCO took this action due to a concern that adjacent jurisdictions adopting regulations could result in STRs moving into the County’s area to avoid restrictions. RIVCO implemented regulations due to an increase in complaints from citizens impacted by the behavior of some renters. These include excessive noise, disorderly conduct, traffic congestion, illegal vehicle parking and accumulation of trash.

It is important to note that at the time this ordinance was enacted, RIVCO had an estimated 300 STRs advertised on VRBO.com and Airbnb.com.⁵ Even though existing regulations required STRs to apply for a Transient Occupancy Tax (TOT) permit, some did not. The ordinance also instituted a process whereby the STRs would be identified and required to pay the TOT and obtain a certificate to operate.

The original Ordinance 927 was a collaboration between the staff of the District Five Supervisor and the Planning Department. The team researched some desert cities and a few counties that had enacted STR regulations. The vision for the ordinance was that “it not be intrusive, provide for easy compliance, and not pose a burden on staff”.⁶

⁴ [https://: www.Wikipedia.org/wiki/Airbnb](https://www.Wikipedia.org/wiki/Airbnb)

⁵ RIVCO BOS meeting January 6, 2016 item 3-3

⁶ RIVCO BOS meeting November 17, 2015.

The chart below reflects the growth of STRs in the unincorporated areas of Riverside County from 2016 through 2020. The data contained in the chart was provided by the vendor, Vacation Rental Compliance LLC, contracted by the County to manage the STR Certificates, and the RIVCO Tax Collector's office.

YEAR	STR UNITS	STR TOT \$	TOT \$/UNIT
2016	268	\$599,093.64	\$2,235.42
2017	311	\$854,053.51	\$2,746.15
2018	414	\$1,065,112.67	\$2,572.74
2019	515	\$1,462,138.23	\$2,839.10
2020	567	\$1,628,506.03	\$2,872.14
Total		\$5,608,904.08	

By 2020, the number of STRs in Riverside County had increased to over 500 and the County determined that tighter regulations were needed to reduce the number of complaints. Currently there is a draft revision to Ordinance 927, identified as 927.1. At this time, the draft revision has yet to be finalized and will probably undergo changes before being adopted. Since Ordinance 927 is to be revised, it seems an opportune time for the Civil Grand Jury to review the ordinance for possible improvements, evaluate the effectiveness of current enforcement efforts, and examine the administrative processes surrounding the issuance of the STR and TOT Certificates.

METHODOLOGY

Documents Reviewed

- Riverside County Ordinance 348 – Land Use Planning and Zoning Regulations
- Riverside County Ordinance 495 – Transient Occupancy Tax
- Riverside County Ordinance 640 - Environmental Health Service Fees
- Riverside County Ordinance 725 – Procedures and Penalties for Violations of Riverside County Ordinances
- Riverside County Ordinance 847 – Noise Regulations
- Riverside County Ordinance 924 – Multiple Responses to Loud and Unruly Parties, Gatherings or Other Similar Events
- Riverside County Ordinance 927 – Short Term Rentals
- Riverside County Ordinance (Draft) 927.1 – Short Term Rentals
- San Bernardino County Ordinance 4371 – Accessory Dwelling Units and Short-Term Residential Rentals
- Santa Barbara Standards for Specific Land Uses – Article 35.42.193 – Homestays, Article 35.42.245 – Short Term Rentals
- Ventura County Ordinance 4522 – Temporary Rental Units
- Contract between Vacation Rental Compliance LLC and Riverside County including Scope of Service (March 10, 2016)
- Riverside County Good Neighbor Brochure
- E-Mail from RIVCO Treasurer-Tax Collector to Grand Jury dated January 21, 2021
- Permit, Certificate, Application and Informational forms regarding Short Term Rentals for Riverside, San Bernardino, Santa Barbara, and Ventura Counties
- Vacation Rental Compliance LLC Master List of RIVCO STRs dated February 1, 2021
- Tax Collector list of Short Term Rentals dated February 24, 2021
- Riverside County Service Contract with Central Communications dated September 15, 2018 (800 number hotline)

Interviews Conducted

- RIVCO Planning Manager
- RIVCO TLMA Agency Program Administrator
- RIVCO Treasurer-Tax Collector
- Code Enforcement Supervisor
- TLMA Administrative Services Manager
- Riverside Vacation Rental Compliance LLC Representative
- Riverside RIVCO Sheriff Professional Standards Representative

Videos Viewed

- RIVCO Board of Supervisors Meeting September 15, 2015 Item 3-3
- RIVCO Board of Supervisors Meeting November 17, 2015 Item 3-28
- RIVCO Board of Supervisors Meeting January 12, 2016 Item 3-3

Internet Sources

- Wikipedia.org
- NOLO.com

DISCUSSION

Improvements to Ordinance 927 - Short Term Rentals

The Civil Grand Jury researched other counties' STR ordinances to gain an understanding of how the restrictions and requirements imposed by RIVCO compare to those of other jurisdictions. Counties were chosen for comparison to provide a fair analysis.

The table below does not depict every restriction or requirement but describes the ones the Civil Grand Jury determined were most relevant and reasonable.

Restrictions and Requirements	Riverside County Ordinance 927 (Current)	Riverside County Ordinance 927.1 (Proposed)	Ventura County	San Bernardino County	Santa Barbara County
Permit/Certificate	✓	✓	✓	✓	✓
Property Inspections			✓	✓	
Occupancy Limits		✓	✓	✓	✓
Parking Limits		✓	✓	✓	✓
Visitor Limits		✓	✓		✓
Events Prohibited without Permit	✓	✓	✓	✓	✓
Defense & Indemnification			✓	✓	✓
Proof of Insurance			✓		
STR Owner self-reports complaints		✓	✓		
Outdoor signage		✓	✓		
Neighbor Complaint Form			✓		
Number for complaints	✓		✓		

Property Inspections

Two of the counties noted in the comparison chart, Ventura, and San Bernardino, require site inspections of the STR property before a certificate to operate is issued. The inspections include number of bedrooms allowed for rental, parking spaces available for renters, as well as safety issues such as smoke alarms. The purpose of the inspections is to verify the occupancy and visitor limits, which are advertised on hosting sites, such as Airbnb, and ensure that the location complies with all relevant safety and building codes. The cost of the certificate covers the expense of the inspections, which can be performed by the County or a vendor.

In addition to onsite inspections, some jurisdictions require a site plan, which details the buildings, parking spaces and access points of the property. This information can be verified by utilizing programs such as Google Earth, and in some cases can substitute for a site visit.

Another aspect of the inspections is to level the playing field with other entities such as hotels and motels with which the STRs compete. The scope of the inspections is not the same but is intended to give the public a degree of confidence that all entities are following county codes and can safely accommodate renters.

Riverside County does not require site inspections of STR locations.

Occupancy, Visitor, and On-site Parking Limits, and Non-Permitted Events

Many counties impose limits on the number of occupants per bedroom, and visitors per occupant. On-site parking is limited to preserve safe entry and exit for emergency vehicles, adhere to setback requirements, and keep streets clear for normal traffic. Events such as weddings, wedding receptions, conferences and other large-scale gatherings are generally allowed only with a conditional use permit.

Riverside County does impose occupancy, visitor, and on-site parking limits in the proposed draft revision to the ordinance (927.1), but not in the current ordinance (927).

Defense and Indemnification Agreement

Ventura and San Bernardino Counties require documents, signed by the STR owner, that release and hold harmless the counties and their officials and employees from any liabilities connected to the STR. An example of such an agreement is included in the Appendix as Exhibit A.

Riverside County does not currently require a signed Defense and Indemnification Agreement, nor is it required in the draft revision (927.1).

Proof of Insurance

As can be seen in the above referenced chart, proof of insurance is required by Ventura County. There are some insurance companies that require specific policies to cover STRs due to the above normal occupancies of the locations and the higher risks involved with frequent rentals. Most homeowner insurance policies do not cover vacation rentals.⁷ Some hosting sites provide insurance for the STR owner, but most do not. To ensure the STR owner provides adequate insurance coverage, Ventura County requires proof of coverage “for commercial/business general liability with a minimum limit of five hundred thousand dollars (\$500,000) per occurrence for claims of personal injury or property damage”. This requirement gives some measure of assurance to renters.

Riverside County does not require proof of insurance.

Complaint Reporting

RIVCO’s current STR Ordinance directs that complaints be made to the local contact person, who is identified on the STR certificate, an 800 number complaint line, or to the sheriff’s dispatch number if the local contact person or 800 number fails to respond. The local contact person’s number is required to be given to all neighbors within 100 ft. of the STR. The revised version (927.1) increases the footage to 300 ft.

RIVCO requires that a copy of the Good Neighbor Brochure be posted in a prominent location within the STR. The brochure is sent to the STR owner by the vendor, Vacation Rental Compliance LLC, and is available online. It is intended to explain the rules visitors should obey to ensure they are good neighbors. The brochure refers to a 24/7, 800 number complaint line so STR visitors might realize their behavior is in violation of the rules and could result in a complaint. A small postcard is sent to the neighboring properties by Vacation Rental Compliance LLC with the 800 number identified as a complaint number to contact. A copy of the Good Neighbor Brochure is included in the appendix as Exhibit B.

⁷ <https://nolo.com/legal>

The 800 number complaint hotline is not mentioned in either the original ordinance (927) or the draft revision (927.1).

In the revised draft of the STR Ordinance, RIVCO is proposing to utilize a "self-reporting" process in which the STR owner is required to report to the Planning Department any complaint and the action taken. The STR owner or operator must notify the Planning Department within two days of the occurrence.

In addition to self-reporting, Ventura County employs a formal Neighbor Complaint Form. This form requires the complainant's signature and allows for documentation, such as video/audio recordings, as well as pictures to be sent along with the complaint. A copy of this form is included in the appendix as Exhibit C. This gives the neighboring properties a means to formally report STR activities that adversely affect them and may be ordinance violations as well. Without this information, code enforcement and planning may not have a complete picture of the situation when they evaluate possible violations. Establishing this process would assist Code Enforcement and the Sheriff in supporting citizen complaints.

Riverside County does not utilize a Neighbor Complaint Form specifically for STRs and does not propose one in the draft revision.

Outdoor Signage

Some jurisdictions require outdoor signage that identifies the property as an STR. The signage information generally includes the local contact's 24/7 phone number, maximum occupancy, parking spaces allowed and a county code enforcement phone number. This information is to be displayed so that it can be easily seen from the street. The outdoor signage serves to inform neighbors of the short term rental activity that could be taking place and provides law enforcement a heads up if their response is required to deal with any disturbances. This also makes the guests aware that their presence at the location could be monitored by neighboring property owners.

Riverside County has proposed a signage requirement in the draft version of Ordinance 927.1.

ENFORCEMENT

Code Enforcement Department

The Code Enforcement Department's responsibilities as it pertains to the current Ordinance 927 are mainly administrative. Noise violations, which make up the bulk of STR complaints, generally occur in the evenings after quiet hours go into effect at 10:00 p.m., and on weekends when Code

Enforcement is not on duty. These complaints are handled by the Sheriff. If the Sheriff responds to such a complaint and provides documentation that a violation occurred, Code Enforcement can issue a violation notice and impose a \$100 fine.

RIVCO contracts with a vendor, Central Communications, to provide a call center 800 number, referred to as a "hotline" in the Good Neighbor Brochure, to handle complaints 24/7. As with any published number there is no control over the type of calls that may be generated. Per the STR Certificate vendor and Code Enforcement, most of the calls are for information or for help in filling out the STR Certificate form. The messages in the calls to the 800 number are relayed to Code Enforcement in the form of an e-mail. Code Enforcement personnel reviews them to determine if any pertain to enforcement, which generally complain of an incorrect 24/7 contact number, or a claim of operating without a certificate. Vacation Rental Compliance LLC is provided copies so they can handle those that relate to their responsibilities.

The Code Enforcement Call Center operates Monday through Friday from 8:00 a.m. to 5:00 p.m. When the Code Enforcement Call Center receives a complaint about an STR that might involve a violation, they may open a case number and begin an investigation. Code Enforcement will investigate these complaints if they have the resources available.

Code Enforcement has indicated they have insufficient personnel available to investigate these complaints and feels the \$100 fine is too low to encourage compliance. Code Enforcement informed the Civil Grand Jury that they recommended to Planning that the fine be increased. Code Enforcement believes that if they had more personnel dedicated to STR enforcement, compliance would be significantly improved. For instance, the 24/7 contact number could be verified, the new signage, occupancy and parking limits could and should be verified. These verifications could be performed by Code Enforcement if they were given additional personnel.

If RIVCO were to initiate a neighbor complaint form, the information would need to be investigated and evaluated by Code Enforcement to provide adequate oversight of the STRs and feedback to the complainants.

The fee for the STR certificates and renewals should be designed to cover the cost of administration and enforcement. A review of the amounts charged by other counties reveals that Riverside County has room to increase their fees and still be comparable.

The chart below illustrates the fees that some counties impose for STR Certificates and renewals.

	Riverside County Ord. 927	Riverside County Ord. 927.1	Ventura County	SanBernardino County
STR Initial Fee	\$250.00	?	\$1,195.00	\$667.00
STR Renewal Fee	\$100.00	?	\$200.00	\$244.50

As of February 1, 2021, there were 568 STRs⁸ in the unincorporated areas of Riverside County. A renewal fee of \$300 would provide an additional \$113,600 of revenue, increasing each year with the STR growth. The Civil Grand Jury estimates this will be enough to add additional personnel to focus on STR compliance, requirement verification, and regulatory oversight.

Sheriff's Department

In September 2015, shortly before Ordinance 927 (STR) was adopted, the County approved Ordinance 924, which "regulated Multiple Responses to Loud and Unruly Parties, Gatherings or Other Similar Events".⁹ The ordinance allows the Sheriff to collect costs associated with repeated responses and permits the Sheriff to issue courtesy notices for planned events making promoters aware of the ordinance restrictions and regulations. The ordinance was developed in response to "attractions such as Wine Country and the Coachella Music Festival drawing people renting large estates to continue the party."¹⁰ The Civil Grand Jury requested a copy of written procedures regarding the implementation of the ordinance regulations and was informed that the ordinance itself is the procedure. Per the Sheriff's representative, Ordinance 924 in practice is primarily used for large scale events that have violated regulations and not typically for smaller gatherings.

Ordinance 924 is not mentioned within Ordinance 927 (STR) even though its regulations pertain to STRs. Ordinance 927 does refer to noise Ordinance 847, which poses enforcement challenges for the Sheriff. The noise ordinance (847) states that the Sheriff's Department, Code Enforcement, and Environmental Health share enforcement responsibilities. The noise ordinance sets decibel level (DB) limits for many activities. The Sheriff's deputies, who would be responding during the quiet hours for STRs between 10:00 p.m. and 7:00 a.m., are not equipped with DB meters. The fines outlined in Ordinance 847 are significant enough, ranging from \$500, to \$1000, to get the attention of the violator if they were to be implemented. Per the Sheriff's representative, a 415 citation is generally issued for disturbing the peace violations. The citation can require a court appearance, or it may be adjudicated by the District Attorney's office.

⁸ Vacation Rental Compliance LLC STR list dated February 1, 2021

⁹ RIVCO Board of Supervisors meeting September 15, 2015 item 3-3

¹⁰ RIVCO Board of Supervisors meeting September 15, 2015 item 3-3 background statement

The Civil Grand Jury thinks that opting for fines first instead of court citations, could be a more efficient and less costly means to deter violations and encourage compliance.

ADMINISTRATION

Tax Collector and Planning Department

The Tax Collector issues the Transient Occupancy Tax Certificate (TOTC) based on the regulations of Ordinance 495, last amended on June 6, 1995. The County Planning Department is responsible for issuing the Short Term Rental Certificate (STRC) as outlined in Ordinance 927. The Planning Department has outsourced the issuing and management of the STRC process to Vacation Rental Compliance LLC. This vendor has been handling the STRCs since the ordinance was first adopted in 2016.

The vendor and the Tax Collector must synchronize their processes to ensure that each STRC has an associated TOTC. Each entity uses a different database to track their specific certificates. The Civil Grand Jury inquired about the reconciliation of the two databases to determine if they matched. To accomplish this task, the Tax Collector asked their IT Department to do a special query of their data that would produce a list, which could then be matched with the vendor's list. According to the Tax Collector, this process was a bit complicated, as many STRs can be associated with one TOTC.

Once the Civil Grand Jury received the two lists and performed a matching process, they found a meaningful number of discrepancies. There were STR locations that did not appear on the Tax Collector's list, as well as quite a few transposed address numbers. The discrepancies should be reconciled so that the County can be assured that all appropriate monies are being collected. Both entities should use the same database so that the STRCs and the TOTCs are always in sync.

FINDINGS

1. The Riverside County Civil Grand Jury finds the current draft revision of Ordinance 927.1 does not provide enough protection for, nor does it allow input from neighboring residences of Short Term Rental properties. Without additional requirements placed on the STR owners, the stated goal of the ordinance "to ensure neighborhood compatibility and reduce conflicts within the surrounding residential neighborhood" may not be achieved. The neighboring residences of STRs must be confident that the rules governing STRs are enforced and that they have a process to register their complaints in a formal manner that also requires a response by the County.

2. The increase in requirements on STRs outlined in the draft revision of Ordinance 927.1 will result in additional personnel needed for enforcement. Without serious enforcement efforts, the ordinance and its rules will become another lost opportunity for real change and leave the neighbors of the STRs with little leverage to preserve their community's quality of life.
3. The Ordinance 924, addressing multiple responses to loud and unruly parties, is not referenced in the STR Ordinance 927. This omission, the lack of a written procedure for implementation of 924 violations, as well as the difficulty for the Sheriff to enforce noise Ordinance 847, results in the lack of a clear and efficient process for dealing with noise complaints.
4. The databases used for STRCs and TOTCs were found to have discrepancies that may result in lost revenues for the County.

RECOMMENDATIONS

1. The Civil Grand Jury recommends the following requirements be added to revision 927.1:
 - 1) Property inspections to validate occupancy, parking, and visitor limits
 - 2) Verification of the 24/7 local contact phone number
 - 3) A defense and indemnification agreement
 - 4) A Neighbor Complaint Form such as that used by Ventura County to ensure that neighbors have a documented avenue to register possible violations of the ordinance with full expectations of a response by the County. To be completed in conjunction with the approval of Ordinance 927.1. (Finding 1).
2. Whether Code Enforcement or outsourcing is used to enforce the added restrictions imposed by the revised Ordinance 927.1, an increase in personnel will be required. The Civil Grand Jury recommends that the STR initial certificate and renewal fees be increased to an amount that will fund the appropriate level of enforcement personnel. To be completed in conjunction with the approval of Ordinance 927.1. (Finding 2).
3. The RIVCO Planning Department, Code Enforcement, and the Sheriff must collaboratively pursue a process that will ensure County ordinances and department procedures adequately address noise complaints. To be completed by December 31, 2021. (Finding 3).

4. The databases used for the STRCs and the TOTCs should be reconciled, and all discrepancies corrected. One common database should be used for both certificates. To be completed by December 31, 2021. (Finding 4).

REQUIRED RESPONSES

The following responses are required pursuant to Penal Code sections 933 and 933.05:

From the following elected County officials within 60 days:

- Riverside County Sheriff; Finding 3 and Recommendation 3.
- Riverside County Treasurer – Tax Collector; Finding 4 and Recommendation 4

From the following Governing bodies within 90 days:

- Riverside County Board of Supervisors; Findings 1 and 2, and Recommendations 1 and 2.

From the following Riverside County Agency within 90 days:

- The Riverside County Transportation and Land Management Director; Findings 1, 2, 3 and 4 and Recommendations 1, 2, 3 and 4.

BIBLIOGRAPHY

- Ordinance 927 (Adopted January 2016)
Retrieved from: <https://rctlma.org/shorttermrentals>
- Ordinance 927.1 (Draft)
Retrieved from: <https://planning.rctlma.org>

APPENDIX

EXHIBIT A



**TEMPORARY RENTAL UNIT (TRU) – COASTAL
Owner Affidavit/Defense and Indemnification Agreement**

Property Owner Affidavit

The County of Ventura considers the temporary rental of dwellings to be businesses that are operated in residential zones. Temporary rentals are not a by-right use. Instead, they are only allowed if operated in strict compliance with the rules and requirements of Section 8175-5.21 of the Ventura County Coastal Zoning Ordinance. By signing below, each owner of the subject Temporary Rental Unit agrees that the unit will comply with all applicable operational standards of Section 8175-5.21.8, and all applicable property management requirements of Section 8175-5.21.9. Violations are grounds for permit revocation, fines, and/or criminal prosecution.

Defense and Indemnification Agreement

By signing below, I hereby agree to defend, indemnify, release and hold harmless, the County of Ventura ("County"), its Board of Supervisors, and its agents, officials, officers, representatives, and employees, from my own and any third-party's claims, causes of action, losses, fines, damages, liabilities, penalties, judgements and costs of any nature whatsoever, (and including, but no limited to court costs and attorney fees) arising out of or in any way related to any of the following: (1) the County's processing, issuance, permitting, administration, or enforcement of the zoning clearance for the subject Temporary Rental Unit; (2) the construction, maintenance, use, or operations conducted pursuant to the zoning clearance for the subject Temporary Rental Unit; and (3) personal injury, death or property damage suffered by me or any third-party in connection with the subject Temporary Rental Unit. Moreover, I agree to retain at my own expense an attorney acceptable to the County to fulfill the foregoing defense obligations.

_____ Signature (Property Owner)	_____ Print Name	_____ Date
_____ Signature (Property Owner)	_____ Print Name	_____ Date
_____ Signature (Property Owner)	_____ Print Name	_____ Date
_____ Signature (Property Owner)	_____ Print Name	_____ Date

EXHIBIT B

Good Neighbor Brochure for Short-Term Rentals

WELCOME TO RIVERSIDE COUNTY

Our communities consist of permanent and seasonal homeowners who enjoy living in a tranquil environment. Please read this brochure for an enjoyable stay.



Loud music, rambunctious parties, streets filled with cars parked in front of neighbors homes and driveways are prohibited by County Ordinance and will not be tolerated.



**ENJOY AND
BE COURTEOUS!**



RENTERS ARE ADVISED THAT THE FOLLOWING RULES WILL BE STRICTLY ENFORCED:

NOISE

County Ordinance No. 847 regulating noise includes quiet hours between the hours of 10 PM and 7 AM.

PARKING

Renters and their guests should park in the rental garage, driveway or directly in front of the short-term rental property to avoid ticketing.

TRASH

Trash and refuse shall not be stored within public view except in proper containers for collection.

DOGS

All dogs are to be on leashes whenever they are in unenclosed areas. Barking dogs often result in neighbor complaints.

Failure to comply with the above may result in a citation, fines or expulsion from the rental property for the renter or their guests.

Refer to County Ordinance NO 927 for details regarding short-term rentals.



**BE SAFE AND
RESPECTFUL!**



Riverside County residents can call a toll-free 24/7 **Short-Term Rental Hotline Number (800) 228-5051** to report violations of the rules as outlined in this brochure.

EXHIBIT C



Code Compliance Complaint Form

County of Ventura • Resource Management Agency • Code Compliance Division
800 S. Victoria Ave. Ventura, CA. 93009 • 805 654 2788 • 805 654-5177 Fax

Complaint Against

Name: (if known) Owner Tenant

Site Address: (of problem)
(Required)

Location: (nearest cross street)

Assessor's Parcel Number: (if known) - 0 -

Property Owner Name: (if different from above)

Describe Complaint: (this space has a 500 character limit. if you need more space, please go to the next page)

Have you noticed any of the following on the subject property, such as recent police activity, vicious dogs, armed or aggressive occupants? No

Yes, explain:

Complaining Party

(This information will be kept confidential unless ordered to be released by court order.)

Have you filed a complaint against this party before? Yes No

If yes, how many times, when, and with which departments?

Name:

Address:

Telephone: Day: () **Evening:** ()

Email Address:

Do you wish to receive copies of correspondence to the offending party? Yes No

Signature of Complainant: _____ **Date:** _____
(Required if submitted by fax or U.S. Mail)

SAVE

Anonymous Complaints Will Not Be Investigated



RIVERSIDE COUNTY GRAND JURY

(951) 955-8990 OFFICE • (951) 955-8989 FAX

Grand Jury Report Delivery Receipt

Title of Report: 2020-2021 Grand Jury Report: SHORT TERM RENTALS

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Department Address: 4080 Lemon Street, 14th Floor, Riverside, CA 92501

Name of Recipient: Shari Cranmer
(Please Print Name)

Signature of Recipient: Shari Cranmer

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Grand Jurors Delivering Report:

NANCY GIBILTERRA
(Please Print Name)

SUSAN CLAY
(Please Print Name)

Julie Muldoon
(Please Print Name)

(Please Print Name)

2021 Grand Jury Report

Riverside County – TLMA Response

August 2021

GRAND JURY FINDINGS:

Grand Jury Finding #1:

The Riverside County Civil Grand Jury finds the current draft revision of Ordinance 927.1 does not provide enough protection for, nor does it allow input from neighboring residences of Short Term Rental properties. Without additional requirements placed on the STR owners, the stated goal of the ordinance "to ensure neighborhood compatibility and reduce conflicts within the surrounding residential neighborhood" may not be achieved. The neighboring residences of STRs must be confident that the rules governing STRs are enforced and that they have a process to register their complaints in a formal manner that also requires a response by the County.

Response to Grand Jury Finding #1:

TLMA Response: TLMA partially concurs with this assessment and is in the process of addressing the issues related to enforcement. A proposed amendment to Ordinance No. 927 (Short Term Rentals "STR") has been drafted and made available for public comment, which includes a greater emphasis on enforcement and property owner management obligations. The final Ordinance will be considered by the Board of Supervisors after considering public comments at a noticed Public Hearing. Separately, the County is running a Request for Proposal ("RFP") to solicit companies who provide management and enforcement services, specifically for Short Term Rentals. A requirement of this service is to provide a 24/7 call center, whereby neighboring residences of a registered STR, can lodge an immediate complaint. The management company will then contact the "Property Owner" or "Local Contact Person" who is required to address the complaint within 60-minutes, pursuant to the Ordinance provisions. The management company and County staff will coordinate on an ongoing basis to take enforcement action upon STRs who continue to be a nuisance and can ultimately revoke the STR certificate in the event of non-compliance.

Grand Jury Finding #2:

The increase in requirements on STRs outlined in the draft revision of Ordinance 927.1 will result in additional personnel needed for enforcement. Without serious enforcement efforts, the ordinance and its rules will become another lost opportunity for real change and leave the neighbors of the STRs with little leverage to preserve their community's quality of life.

Response to Grand Jury Finding #2:

TLMA Response: TLMA concurs with this assessment and is in the process of addressing the issues related to enforcement. It is anticipated that additional resources will be needed to more effectively operate the STR program. The STR management company will be required to provide 24/7 call services to register a complaint. In addition, the management company will provide regular reports showing calls for service related to nuisance issues, will proactively seek unregistered STRs and provide a pathway for County compliance, and regularly submit a financial analysis indicating payment completion for the initial application and annual renewal fees. Separately, Code Enforcement will conduct on-site, initial certification inspections, to ensure compliance with Ordinance No. 927. It is further expected that TLMA Planning, TLMA Code Enforcement, and the Sheriff's office will meet on a regular basis to evaluate the STR program and look for ways to reduce complaints.

Grand Jury Finding #3:

The Ordinance 924, addressing multiple responses to loud and unruly parties, is not referenced in the STR Ordinance 927. This omission, the lack of a written procedure for implementation of 924 violations, as well as the difficulty for the Sheriff to enforce noise Ordinance 847, results in the lack of a clear and efficient process for dealing with noise complaints.

Response to Grand Jury Finding #3:

TLMA Response: TLMA concurs with this assessment and is in the process of addressing the issues related to noise complaints. The draft revisions to Ordinance No. 927 include updated procedures for addressing nuisance issues, related to STRs. It provides clarity to the order of operations, placing a greater emphasis on the STR management company and the "Property Owner" or "Local Contact Person" to initially address the violation. It then details out an escalating set of enforcement actions, starting with TLMA Code Enforcement issuing violations, Sheriff's response due to a property owner not timely responding, and then to the County taking action to revoke a STR certificate in the event of ongoing issues. Additionally, the County is reviewing options for a specific Notice of Violation ("NOV") fee associated with STRs, to better ensure compliance and also cover the enforcement costs. Staff is reviewing additional Ordinance provisions, which reference Ordinance 924 (Regulating Multiple Responses to Loud or Unruly Parties) but is also concurrently evaluating a holistic

approach and enforcement process more specific to STRs, due to their uniqueness and potential for neighborhood impacts.

Grand Jury Finding #4:

The databases used for STRCs and TOTCs were found to have discrepancies that may result in lost revenues for the County.

Response to Grand Jury Finding #4:

TLMA Response: The Riverside County Treasurer-Tax Collector, in tandem with TLMA fiscal services, TLMA Planning Department, and the STR management company will be revising the way STR certificates are submitted, managed, and accessed, for the purpose of enabling better coordination of all payments. Options include utilizing the County's permit tracking system or an outside vendor system, which in either case establishes a single information source, upon which more accurate and timely reports can be generated to ensure compliance with application and TOT payments.

GRAND JURY RECOMMENDATIONS:

Grand Jury Recommendation #1:

The Civil Grand Jury recommends the following requirements be added to revision 927.1:

- 1) Property inspections to validate occupancy, parking, and visitor limits
- 2) Verification of the 24/7 local contact phone number
- 3) A defense and indemnification agreement
- 4) A Neighbor Complaint Form such as that used by Ventura County to ensure that neighbors have a documented avenue to register possible violations of the ordinance with full expectations of a response by the County. To be completed in conjunction with the approval of Ordinance 927.1.

Response to Grand Jury Recommendation #1:

- 1) Property inspections to validate occupancy, parking, and visitor limits.

TLMA Response: As part of the initial certification process for Short Term Rentals, an onsite inspection by a TLMA Code Enforcement Officer will occur. The inspection will ensure compliance with required onsite signage, parking, access, and general operations, as specified in Ordinance No. 927 (Short Term Rentals).

- 2) Verification of the 24/7 local contact phone number.

TLMA Response: During the initial onsite inspection process, the inspecting Code Enforcement officer will call the “Property Owner” or “Local Contact Person” to verify that the posted contact number is accurate, and a timely response is obtained

- 3) A defense and indemnification agreement

TLMA Response: TLMA is reviewing options related to indemnification. A potential solution is to add language into the STR certificate application, like what is in the TLMA Planning Department’s General Application form, which includes basic indemnification language.

- 4) A Neighbor Complaint Form such as that used by Ventura County to ensure that neighbors have a documented avenue to register possible violations of the ordinance with full expectations of a response by the County. To be completed in conjunction with the approval of Ordinance 927.1.

TLMA Response: As part of the initial surrounding property owner notification process for a new STR, information on how to file a complaint will be provided. Additionally, each STR is required to post, in a readily visible location, general contact information as specified in Ordinance No. 927, as well as the STR management company’s 24/7 call center number. Additionally, the STR certification process and complaint submission information will be updated on the County’s website, to ensure greater transparency.

Grand Jury Recommendation #2:

Whether Code Enforcement or outsourcing is used to enforce the added restrictions imposed by the revised Ordinance 927.1, an increase in personnel will be required. The Civil Grand Jury recommends that the STR initial certificate and renewal fees be increased to an amount that will fund the appropriate level of enforcement personnel. To be completed in conjunction with the approval of Ordinance 927.1.

2021 Grand Jury Report
Riverside County – TLMA Response
August 2021

Response to Grand Jury Recommendation #2:

TLMA Response: TLMA agrees that an increase to the initial application fee and the annual renewal fee is necessary to provide appropriate and ongoing enforcement resources. Through the Ordinance amendment process TLMA will be preparing a nexus study to evaluate what the amount the new fee should be.

Grand Jury Recommendation #3:

The RIVCO Planning Department, Code Enforcement, and the Sheriff must collaboratively pursue a process that will ensure County ordinances and department procedures adequately address noise complaints. To be completed by December 31, 2021.

Response to Grand Jury Recommendation #3:

TLMA Response: TLMA Planning, TLMA Code, and the Sheriff's office, have historically coordinated on individual STR nuisance cases. Also, coordination has increased recently to ensure a more efficient and safer STR ordinance and program. It is anticipated that future meetings between the departments will take place on a regular basis to evaluate the successfulness of the revised STR program and look for ways ensure efficiency.

Grand Jury Recommendation #4:

The databases used for the STRCs and the TOTCs should be reconciled, and all discrepancies corrected. One common database should be used for both certificates. To be completed by December 31, 2021.

Response to Grand Jury Recommendation #4:

TLMA Response: TLMA agrees that a centralized permit tracking system is needed to better manage the STR certification process. This will provide immediate access to the certificate information for TLMA Code Enforcement, TLMA Planning, and the Sheriff's office, as well as a more efficient reporting system for application and TOT payment compliance. TLMA is currently evaluating tracking software options.