



Staff Report

File #: 23-0831

REQUEST FOR CITY COUNCIL ACTION

DATE: 10/18/2023
TO: Honorable Mayor and City Council Members
FROM: Planning & Development Department

SUBJECT:
ORDINANCE AMENDING [CHAPTER 5.55 OF THE CORONA MUNICIPAL CODE](#) TO PROHIBIT SHORT TERM RESIDENTIAL RENTALS, AN ORDINANCE ESTABLISHING AN AMORTIZATION PERIOD AND OPERATIONAL REQUIREMENTS FOR LEGAL NONCONFORMING SHORT TERM RESIDENTIAL RENTAL UNITS, AND RESOLUTION AMENDING THE ADMINISTRATIVE PENALTIES SCHEDULE FOR VIOLATIONS OF THE CORONA MUNICIPAL CODE

EXECUTIVE SUMMARY:

This staff report asks the City Council to approve an ordinance that would amend Chapter [5.55 of the Corona Municipal Code \(CMC\)](#) to prohibit short term residential rentals in the City. An additional ordinance is also proposed that would establish an amortization period and operational requirements for short term residential rental permits that have not yet expired. Short term residential rentals that were issued a short term residential rental permit from the City prior to the adoption of the proposed ordinance will be allowed to continue as a legal non-conforming use up to the expiration date of the permit. Short term residential rental permits are annual permits and expire 12 months from the date of issuance.

RECOMMENDED ACTION:
That the City Council:

- a. Adopt Urgency Ordinance No. 3380 approving an amendment to [Chapter 5.55](#) of the Corona Municipal Code to prohibit short term residential rentals.
- b. Introduce, by title only, and waive full reading of consideration of Ordinance No. 3381, first reading of an ordinance approving an amendment to [Chapter 5.55](#) of the Corona Municipal Code to prohibit short term residential rentals.
- c. Adopt Urgency Ordinance No. 3382 establishing an amortization period and operating

regulations for legally existing short-term residential rentals.

- d. Introduce, by title only, and waive full reading of consideration of Ordinance No. 3383, first reading of an ordinance establishing an amortization period and operating regulations for legally existing short-term residential rentals.
- e. Resolution No. 2023-100 amending the Administrative Penalties Schedule for violations of the Corona Municipal Code.

BACKGROUND & HISTORY:

The City Council at its meeting on October 4, 2017, adopted an ordinance to permit and establish operating regulations for short term residential rentals. Short term residential rentals are the rental of residential dwelling units for occupancy for a period of 30 consecutive calendar days or less. Short term residential rentals are regulated by CMC [Chapter 5.55](#).

Since the adoption of the City's short term residential rental ordinance, staff has responded to various complaints regarding noise and parking from the short term rentals. Over time these complaints escalated to the City Council from constituents that were impacted by the disturbances created by the short term renters in residential neighborhoods. The most common complaint was noise generated by the short term renters that involved loud music and voices due to the congregation of people in the rental. Parking was another common complaint as multiple cars from renters would park on the residential streets.

The City Council at its Study Session on August 16, 2023, discussed prohibiting short term residential rentals in the City. At the conclusion of the study session, the Council supported prohibiting short term residential rentals because of the negative secondary impact it has on residential neighborhoods related to noise, traffic, safety and parking. The Council also requested that the administrative penalty fee for operating a non-permitted short term residential rental be increased to deter the illegal operations of short term residential rentals in the City.

ANALYSIS:

The following is a summary of the urgency and regular ordinances proposed to prohibit short term residential rentals in the City.

Ordinance	Description
Urgency Ordinance 3380	Becomes effective immediately upon adoption by the City Council. Amends Chapter 5.55 of the CMC to prohibit short term residential rentals starting on October 18, 2023, establishes various definitions used in reference to short term residential rentals, prohibits hosting platforms from booking short term residential rentals in the city, allows short term residential rentals that were issued a short term residential permit from the city prior to the adoption of this ordinance to continue as a legal nonconforming short term residential rental up to the expiration date of the permit, and establishes penalties and enforcement.
Regular Ordinance 3381	This ordinance is identical to Urgency Ordinance 3380 but follows the traditional ordinance process and becomes effective 30 days after the adoption by the City Council.
Urgency Ordinance 3382	Becomes effective immediately upon adoption by the City Council. Establishes an amortization period for legal nonconforming short term residential rentals to cease operation, and operational requirements for legal nonconforming short term residential rentals during the amortization period starting on October 18, 2023. Legal nonconforming short term residential rentals may continue up to the expiration date of the permit. Short term residential rental permits are annual permits and expire 12 months from the date of issuance.
Regular Ordinance 3383	This ordinance is identical to Urgency Ordinance 3382 but follows the traditional ordinance process and becomes effective 30 days after the adoption by the City Council.

As noted in Urgency Ordinance 3380, short term residential rentals that have been issued a short term residential rental permit by the City prior to the adoption of the ordinance would be allowed to continue up to the expiration date of the permit. Short term residential rental permits are annual and expire every 12 months. The City has 12 short term residential rental permits that will expire within the next 12 months ranging from October 2023 to September 2024.

Resolution 2023-100 increases the administrative penalty fee for operating an illegal short term residential rental. The following table identifies the administrative penalty fee increase.

Administrative Citation Notice	Existing Administrative Penalty Fee - Illegal Short Term Residential Rental	Proposed Administrative Penalty Fee - Illegal Short Term Residential Rental
1 st Citation	\$100	\$1,500
2 nd Citation	\$200	\$3,000
3 rd + Citation	\$500	\$5,000

FINANCIAL IMPACT:

The adoption of the ordinances will have a negligible fiscal impact on the City General Fund. In FY 2022, the City received \$73,021 in revenue from the transit occupancy tax from short term residential rentals compared to the City’s total transit occupancy tax revenue of \$3.2 million which includes hotels.

ENVIRONMENTAL ANALYSIS:

This action is exempt pursuant to Section 15061(b)(3) of the Guidelines for the California Environmental Quality Act (CEQA), which states that a project is exempt from CEQA if the activity is covered by the common sense exemption that CEQA applies only to projects that have the potential for causing a significant effect on the environment. 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, the activity is not subject to CEQA. This action amends the Corona Municipal Code to prohibit short-term residential rentals, and adopts an uncodified ordinance establishing an amortization period and operational standards for legal nonconforming short term residential rentals, and there is no possibility that adopting this Ordinance will have a significant effect on the environment. Therefore, no environmental analysis is required.

PREPARED BY: JOANNE COLETTA, PLANNING & DEVELOPMENT DIRECTOR

Attachments:

1. Exhibit 1 - Urgency Ordinance No. 3380
2. Exhibit 2 - Ordinance No. 3381 (clean version)
3. Exhibit 3 - Ordinance No. 3381 (redline version)
4. Exhibit 4 - Urgency Ordinance No. 3382
5. Exhibit 5 - Ordinance No. 3383
6. Exhibit 6 - Resolution No. 2023-100 (clean version)
7. Exhibit 7 - Resolution No. 2023-100 (redline version)

