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July 22, 2025

Maria Hernandez, Presiding Judge of the Superior Court 700 Civic Center Drive West Santa Ana, CA 92701

Orange County Grand Jury 700 Civic Center Drive West Santa Ana, CA 92701

2024-2025 ORANGE COUNTY GRAND JURY REPORT LONG-TERM SUBJECT: **SOLUTIONS TO SHORT-TERM RENTALS** 

Dear Judge Maria Hernandez:

The City of Los Alamitos has received the report on the Orange County Grand Jury's response to findings for Short-Term Rentals (STRs). We appreciate your request for a response from the City of Los Alamitos for these findings as well. Below are the Orange County Grand Jury requested actions sent to the City of Los Alamitos in its May 16, 2025 letter to the City.

F1: Despite the increasing media coverage of Online Booking Agencies (OBAs), STRs are not a new phenomenon in Orange County.

Yes. The City of Los Alamitos agrees with this finding.

F2: The steady growth of STR usage in the last decade raises concerns of potential public nuisance.

The City of Los Alamitos agrees with this finding. In July 2023, the Development Services Department at the City of Los Alamitos conducted a survey to solicit public input related to STRs. Public perception was overwhelmingly opposed to STRs in the city, with 80 percent of survey respondents against provisions to allow STRs in Los Alamitos. The survey results further highlighted that local residents perceive STRs as a potential source of public nuisance, with STR impacts affecting quality of life, community standards and norms, and housing affordability. The overwhelming majority of survey respondents expressed concerns associated with STRs, including large gatherings, noise, parking, personal safety, and trash.

Following our review of the public survey, City of Los Alamitos staff elected to maintain regulations effectively restricting STRs from the City's residential neighborhoods by continuing to classify STRs as a hotel/motel land use permissible only within certain commercially zoned areas of the city.

The City of Los Alamitos Neighborhood Preservation Division proactively enforces suspected STR violations. Since 2022, code enforcement has investigated six suspected STR violations, leading to issuing a nuisance-related warning notice of violation letter and or issuing an administrative citation to residents operating rental units under 30 days from referrals observed by residents using STR sites like Airbnb.

**F3**: Even with robust Code Enforcement, a city's statutory ban on STRs is not enough to keep STRs from operating.

Yes. The City of Los Alamitos agrees with the finding. The City restricts the permitting of STRs by classifying STRs as hotel/motel land uses, which are permissible only within certain zoning districts.

The City of Los Alamitos finds that, even with restrictions, there are instances of STRs operating illegally. Since 2022, the City's code enforcement has investigated six suspected STR violations, leading to the issuance of a warning notice of violation letter and/or the issuance of an administrative citation to residents operating rental units under 30 days.

While instances of unpermitted STRs exist, robust code enforcement efforts can effectively curb the operation of illegal STRs within the city. In particular, most STR operators rely on internet sites to actively advertise their rentals, providing a digital footprint for the City of Los Alamitos' Neighborhood Preservation Division to detect them.

F12: City leaders have no regular communication with each other concerning STR issues, limiting opportunities to develop strategies and expertise to improve service.

Agreed. Los Alamitos staff does not regularly or actively consult with other city leaders concerning STRs.

R1: Cities should review and begin to update ordinances to keep up with the rapidly changing nature of court findings and legislation related to STRs, by December 31, 2025, and no less frequently than every three years thereafter. (F4, F12)

The recommendation will not be implemented because it is not warranted or is not reasonable with an explanation therefore. Short-Term Rentals are permitted in the City of Los Alamitos, as they are considered to fall under the Land Use description

of "Hotels or Motels." Hotels and motels are permitted in certain zones of the City, such as the General Commercial, Office, and Industrial zones. While permitted in these other zones, short-term rentals, as well as hotels and motels, are not currently permitted in residential areas of the City.

R2: Cities should consider developing a plan for upcoming major events that are expected to create a surge in demand for STRs and its associated Transient Occupancy Tax, by December 31, 2025, and no less frequently than every two years thereafter. (F11)

The recommendation will not be implemented because it is not warranted or is not reasonable with an explanation therefore. With significant impact events such as the Olympic Games in Los Angeles, it is a good idea to think ahead about how STR permitting will affect visitors to the area. However, the City of Los Alamitos is a small City, in size and population, and plans for STRs have not been a priority in this, for the most part, "non-tourist destination" City. People may be using STRs during the occurrence of the Olympic Games, but this significant event does not overshadow the long-term repercussions of STRs. The cost of Zoning Code changes and the code enforcement involvement required to administer such a land use may outweigh the probable amount of TOT tax to be received.

R9: City leaders should have regular discussions with each other to share STR management strategies on a biannual basis commencing no later than January 1, 2026. (F12)

The recommendation will not be implemented because it is not warranted or is not reasonable with an explanation therefore. For officials of a small city, such as Los Alamitos, meeting with other city officials about Short-Term Rentals may be worthwhile for special occasions, but not necessarily as a biannual gathering. City of Los Alamitos leaders support collaboration, but the current outlook for the TOT tax does not warrant setting up an organization of government officials to oversee these STRs.

Thank you for requesting our opinions on this important subject. I appreciate the opportunity to work with you on this topic. If you have any questions, please contact me at (562) 431-3538, extension 220, or via e-mail at <a href="mailto:shaselbrink@cityoflosalamitos.org">shaselbrink@cityoflosalamitos.org</a>.

Sincerely,

CITY OF LOS ALAMITOS

—DocuSigned by: Spelling Hassellunf

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Mayor