City of BUENA PARK

OFFICE OF THE CITY MANAGER

July 22, 2025

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

RE: City of Buena Park Response to Grand Jury Report – *Long-Term Solutions to Short-Term Rentals*

Dear Honorable Judge Hernandez:

The Buena Park City Council has reviewed the Orange County Grand Jury's report entitled, *Long-Term Solutions to Short-Term Rentals.* As requested, the City of Buena Park's responses to the findings and recommendations of the aforementioned report are as follows:

FINDINGS

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

Response: The City of Buena Park agrees with this finding. The City of Buena Park adopted Ordinance No. 1675 to regulate STRs in 2020.

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

Response: The City of Buena Park partially disagrees with this finding. Buena Park originally adopted Ordinance No. 1675 to address resident concerns associated with problematic STRs, but Buena Park has not seen a substantial growth in the number or usage of STRs in the five years since its adoption of Ordinance No. 1675, nor have STRs been a substantial source of public nuisance in the City since.

F5 **Proactive home inspection of new and renewing STRs, which have been implemented in some Orange County cities, improve code enforcement and STR compliance with city ordinances.**

Response: The City of Buena Park agrees with this finding. Buena Park requires an inspection prior to commencing operation of an STR, an annual inspection for all operating STRs, and an inspection prior to renewal of an STR permit.

F6 **Direct remittance of taxes by OBAs does not capture all TOT for an STR because of direct booking practices.**

Response: The City of Buena Park agrees with this finding. While a comprehensive audit of TOT remittance from STRs has not been conducted, Buena Park believes it likely that a portion of the TOT remittance is not being captured as a result of direct bookings.

F7 **Some cities in Orange County have outdated systems for tracking short-term rental TOT making the process less effective and more difficult for staff.**

Response: The City of Buena Park partially disagrees with this finding. The City utilizes RentalScape (Deckard) for STR tracking and TOT, which it has found to be both user-friendly and effective for the City. Prior to use of RentalScape, the City utilized Host Compliance, which was also an effective software for tracking STRs.

F8 **In some cases, STRs are improperly recharacterized as long-term rentals to circumvent the collection of TOT and any applicable penalties.**

Response: The City of Buena Park partially disagrees with this finding. As regulated by the Buena Park Municipal Code, any occupancy that exceeds 29 days no longer qualifies as a "short-term" rental (or a transient occupancy) and is not subject to TOT.

F9 **Online Booking Agencies in foreign languages are outside the current capabilities of Code Enforcement to monitor and track unpermitted STRs.**

Response: The City of Buena Park partially disagrees with this finding. While the RentalScape software tracks over 10,000 STR booking sites, it is possible that there are booking sites, particularly in foreign languages, which are not being monitored and could result in unpermitted STRs.

F10 **Cities that fail to routinely review their STR waiting lists potentially lose TOT revenue and contribute to a greater prevalence of unpermitted STRs.**

Response: The City of Buena Park agrees with this finding. Buena Park does not have an STR waitlist and instead reviews new STR applications immediately upon receipt, but the City agrees that delayed review could contribute to unpermitted STRs in the same way delayed plan check response or delayed building inspections could contribute to a rise in unpermitted construction.

F11 **Locations that have hosted major events have reported an outsized increase in demand and pricing of STRs, a situation Orange County is likely to experience with the upcoming 2026 Los Angeles World Cup and 2028 Los Angeles Olympics.**

Response: The City of Buena Park agrees with this finding. Although this has not been the experience in Buena Park, there is a strong likelihood that large events will increase the demand for both hotel and STR bookings.

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

Response: The City of Buena Park disagrees with this finding. The Planning Directors Association of Orange County (PDAOC), which includes Planning and Community Development Directors from throughout the County, meet on a regular basis to discuss issues of countywide concern and share information and strategies for addressing those issues. Additionally, the Municipal Management Association of Southern California (MMASC), which includes City Managers from around the County, meets on a regular basis as well. At a regional level, the League of California Cities meets annually to discuss a broad range of topics, which has historically included discussions about short-term rentals.

RECOMMENDATIONS

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)**

Response: The City of Buena Park has already implemented this recommendation. The City of Buena Park has adopted an ordinance regulating STRs, monitors state legislation and court rulings, and updates its Municipal Code as necessary to stay up-to-date on STR legislation.

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)**

Response: This recommendation has not yet been implemented, but the City of Buena Park is already planning to implement this recommendation in the future. The City of Buena Park recognizes the likely increase in STR demand for the 2026 World Cup and 2028 Olympics and is in the early stages of planning with RentalScape and the community at-large on how best to plan for these events and ensure that community members are aware of the requirements surrounding STRs in Buena Park.

R3 **Cities that allow STRs should evaluate the benefit of ordinances facilitating Voluntary Collection Agreements requiring OBAs to submit TOT directly, by June 30, 2026. (F4, F12)**

Response: This recommendation requires further analysis. The City allows either the host or booking site to remit the TOT to the City and will evaluate the benefit of Voluntary Collection Agreements with OBAs that offer direct TOT remittance. A review of TOT collected by Buena Park since 2020 did not indicate significant lost revenue resulting from hosts failing to remit TOT.

R4 **Cities that allow STRs should evaluate the benefit of collecting TOT on a monthly basis by individual property, by June 30, 2026. (F7, F8)**

Response: This recommendation has been implemented. The City of Buena Park requires hotels and STRs to remit TOT on a monthly basis.

R5 **Cities should require STRs to include the number of days rented per month per permit to facilitate short-term rental TOT desk audits by November 30, 2025. (F7, F8)**

Response: The recommendation requires further analysis. The City of Buena Park recognizes the benefits of this recommendation and will evaluate the potential to amend its Municipal Code to require STRs to disclose the number of days rented per month to assist with audits.

R6 **Cities with a permit waiting list should implement strategies to remove non-revenue-generating licenses to allow for fair access by December 31, 2025, and annually thereafter. (F7, F10)**

Response: The recommendation will not be implemented because it is not warranted in the City of Buena Park. The City of Buena Park does not have a permit waiting list.

R7 **Cities that allow STRs should consider allocating resources to update their short-term rental TOT tracking systems by September 30, 2026. (F7, F8, F10)**

Response: This recommendation has been implemented. The City of Buena Park contracts with RentalScape for STR and TOT tracking. RentalScape is a widely used software platform for Cities to track STRs in their jurisdiction. The City Council allocates approximately $16,500 per year for this software.

R8 **Cities that allow STRs should consider random multi-year audits to confirm TOT by June 30, 2026, and annually thereafter. (F6, F7, F8)**

Response: This recommendation has been implemented. The Buena Park Municipal Code authorizes the Finance Department to conduct multi-year audits of STRs.

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)**

Response: This recommendation has been implemented. City staff and representatives are engaged in regular communications with area colleagues to share collective experience about STRs and other land use and planning issues.

Thank you for providing the City of Buena Park with the opportunity to respond to this report.

Sincerely,

Aaron France
City Manager

cc: Buena Park City Council
Christopher G. Cardinale, City Attorney