



CITY OF RANCHO SANTA MARGARITA

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August 14, 2025

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

Subject: Response to Orange County Grand Jury Report, *Long-Term Solutions to Short-Term Rentals*

Dear Judge Hernandez:

The City of Rancho Santa Margarita has reviewed the Orange County Grand Jury Report entitled, "Long-Term Solutions to Short-Term Rentals" As required by California Penal Code sections 933 and 933.05 (a) and (b), the City of Rancho Santa Margarita is responding to the applicable findings and recommendations included within the report. Each of the findings and recommendations is listed below in italics, followed by the City's response.

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 Rancho Santa Margarita agrees with this finding.

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

Response: The City of Rancho Santa Margarita agrees with this finding.

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

Response: The City of Rancho Santa Margarita agrees with this finding.

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

Response: The City of Rancho Santa Margarita partially disagrees with this finding. There are numerous professional organizations that meet regularly and

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share/communicate various issues (e.g., Planning Director's Association of Orange County, Orange County City Manager's Association, etc.).

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 Rancho Santa Margarita complies with this recommendation and it has been implemented.

R2: Cities should consider developing a plan for upcoming major events that are expected to create a surge 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 does not apply to the City of Rancho Santa Margarita due to distance from, and access to venues and events of this nature and will not be implemented.

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: Rancho Santa Margarita City leadership regularly attends scheduled meetings with City leaders from other Orange County cities as stated in F12 above and this recommendation has been implemented.

Should you have any questions or need any additional information, please contact Cheryl Kuta, Assistant City Manager/Development Services Director, at 949-635-1816 or via e-mail at ckuta@cityofrsm.org.

Respectfully,



L. Anthony Beall
Mayor

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