



**Mayor**  
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**City Manager**  
Debra DeBruhl Rose

September 8, 2025

Judy Howard, Grand Jury 2025-2026 Foreperson  
700 Civic Center Drive West  
Santa Ana, CA 92701

**SUBJECT: Clarification Regarding City of Lake Forest's Response to the 2024-2025 Orange County Grand Jury Report on Short-Term Rentals**

Dear Ms. Howard,

The City of Lake Forest has received your request for additional information and clarification regarding our responses to the findings in the 2024-2025 Orange County Grand Jury report titled Long-Term Solutions to Short-Term Rentals.

Your letter dated August 25, 2025 (Attachment 1), seeks clarification on the following:

**1. Clarification on Short-Term Rentals (STRs) vs. Limited Home Rentals**

*In our response to Recommendation R-1, it was reported that the city allows "limited home rentals", however, on R2-R8 the same letter reports that the city does not allow short-term rentals. Please clarify whether the City of Lake Forest allows or disallows short-term rentals.*

- **The City does not allow STRs** as defined in the Lake Forest Municipal Code (LFMC)(see below).
- **Limited Home Rentals**, however, are permitted. These are defined as the rental of a person's entire domicile (dwelling) for up to three periods of fewer than 30 consecutive days within a calendar year. This is a specific exception and is not considered a short-term rental under the LFMC.

Relevant definitions in accordance with LFMC 9.04.030 Definitions:

**Limited Home Rental:** The rental of a person's entire domicile for up to three periods of fewer than 30 consecutive days in a calendar year. It is an exception to the general definition of "Transitory Lodging Use."

**Short-Term Rental:** A dwelling unit or portion thereof that is used to provide short-term lodging for compensation under a single oral or written agreement. But it does not include a limited home rental or the short-term lease-back of a seller's domicile to the seller. A short-term rental is a transitory-lodging use.

**Transitory-Lodging Use:** The use of any structure or portion of a structure to provide lodging in exchange for compensation on either: (a) a short-term basis (regardless of the number of rental agreements); or (b) a long-term basis under multiple agreements. Boarding houses, hotels, and short-term rentals are examples of transitory-lodging uses. But a limited home rental is an exception to this definition and is not a transitory-lodging use.

## **2. Implementation for Recommendations R-1 and R-9**

You also requested clarification regarding the implementation of Recommendations R-1 and R-9.

- R-1: The City currently allows limited home rentals under an ordinance that complies with state law and recent case law. We will continue to monitor and revise the ordinance as needed to remain in compliance.
- R9: The recommendation encourages regular discussions among city leaders to share STR management strategies, beginning no later than January 1, 2026. The City has already implemented this recommendation by participating in regional roundtable forums where issues such as STRs are regularly addressed. This practice fulfills the intent of the recommendation.

This concludes the City's clarification. Should you have any questions, please contact Assistant Director of Community Development Amy Stonich at [astonich@lakeforestca.gov](mailto:astonich@lakeforestca.gov) or 949-461-3479.

Sincerely,



Debra D. Rose  
City Manager

Attachments:

1. OC Grand Jury letter dated August 25, 2025
2. City of Lake Forest letter dated July 17, 2025