

949-724-6000

November 5, 2025

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

Re: Response to the 2024-2025 Orange County Grand Jury Report Titled, "Long-Term

Solutions to Short-Term Rentals"

Dear Judge Hernandez:

The City Council of the City of Irvine has authorized the following responses to the 2024-2025 Orange County Grand Jury report titled "Long-Term Solutions to Short-Term Rentals." In accordance with Penal Code Section 933.05(a) and (b), the City provides the following responses to the report's findings and recommendations.

FINDINGS

<u>Finding F1</u> – Despite the increasing media coverage of Online Booking Agencies (OBAs), STRs are not a new phenomenon in Orange County.

Response:

The City of Irvine agrees with this finding. Short-term rentals (STRs) have been a longstanding issue facing jurisdictions across the region, particularly with the rise of online platforms facilitating these types of accommodations. The City of Irvine has proactively addressed this issue by adopting a citywide ban on short-term rentals. This prohibition went into effect in September 2018, following City Council action aimed at preserving the character and stability of residential neighborhoods, ensuring housing availability for long-term residents, and mitigating potential public safety and quality of life concerns. Since the adoption of the ban, the City has remained committed to enforcement efforts to uphold this regulation. We continuously evaluate tools and strategies to monitor compliance and respond to community concerns.

 $\underline{\text{Finding F2}}$ – The steady growth of STR usage in the last decade raises concerns of potential public nuisance.

Response: The City of Irvine agrees with this finding. This observation is

consistent with the experiences and concerns voiced by many Irvine

residents, particularly in our residential neighborhoods. Prior to the City's adoption of its STR ban in 2018, Irvine residents frequently expressed concerns about the negative impacts of STRs in the community. These concerns included increased noise, traffic, and parking congestion, as well as the disruption of neighborhood cohesion caused by a steady turnover of unfamiliar visitors. In some cases, the presence of STRs led to serious quality-of-life impacts, were found to be inconsistent with the master planned nature of Irvine, and even raised public safety concerns.

<u>Finding F3</u> – Even with robust Code Enforcement, a city's statutory ban on STRs is not enough to keep STRs from operating.

Response:

The City of Irvine disagrees partially with this finding based on our experience since the implementation of our STR ban. In 2018, the City of Irvine enacted a comprehensive ban on STRs in response to significant community concerns related to neighborhood disruption, public safety, and housing availability. Since that time, the City has implemented a strong and proactive code enforcement strategy to ensure compliance with the ban. Irvine's Code Enforcement team has been highly effective in addressing violations.

Through a combination of community reporting, technology-based monitoring, and targeted enforcement actions, the City has significantly reduced the presence of illegal STRs. Most violators cease operations upon notification, and the City has pursued administrative citations and legal remedies where necessary. These efforts have resulted in substantial compliance and a high level of deterrence. While the City recognizes that enforcement challenges may persist in some jurisdictions, Irvine's experience demonstrates that a statutory ban, paired with consistent and strategic enforcement, can be a successful approach to minimizing the operation of illegal STRs and maintaining the integrity of residential neighborhoods.

<u>Finding F12</u> – 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 Irvine respectfully disagrees with this finding as it pertains to our internal operations. Within the City of Irvine, interdepartmental coordination is a key strength of our approach to STR enforcement. The Community Development and Public Safety departments, in particular, maintain regular and ongoing communication to address

STR-related issues. This collaboration includes sharing information on complaints, coordinating investigations and enforcement actions, and evaluating policy or procedural updates to strengthen our response.

This cross-departmental teamwork has been essential in supporting the City's successful enforcement of its STR ban, which went into effect in September 2018. By leveraging the unique expertise of each department, Irvine has been able to respond quickly and effectively to STR violations while minimizing community impacts. While we understand that experiences may vary across jurisdictions, Irvine remains committed to strong internal collaboration and continuous improvement in addressing short-term rental activity within our city.

RECOMMENDATIONS

Recommendation 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.

Response:

The City of Irvine agrees with the intent of this recommendation and notes that the Community Development Department, in collaboration with the City Manager's Office, already engages in regular monitoring of changes to state law, legal precedents, and best practices related to land use and zoning, including those impacting STRs. As part of this process, the City conducts bi-annual technical updates to the Irvine Zoning Ordinance to ensure consistency with applicable laws and to support clear, enforceable local regulations.

In alignment with the Grand Jury's recommendation, the City will place STR-related ordinance review on the list of items for consideration in the next scheduled Zoning Ordinance update, which will occur by the end of 2025. This review will include an assessment of any relevant state legislation, court rulings, or administrative guidance that may affect the City's existing STR ban, which has been in place since September 2018. The City remains committed to maintaining a legally sound and community-responsive regulatory framework and appreciates the Grand Jury's focus on ensuring that local governments remain adaptable to evolving legal and policy landscapes.

Recommendation 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 (TOT), by December 31, 2025, and no less frequently than every two years thereafter.

Response:

The City of Irvine acknowledges and agrees with the importance of proactive planning in advance of large-scale events that may increase regional demand for short-term accommodations, including STRs. While the City has maintained a citywide ban on STRs since September 2018, Irvine recognizes that upcoming events—particularly the 2028 Summer Olympics in Los Angeles—may present unique circumstances that warrant a thoughtful review of the City's current policy.

As part of the City's broader policy planning process, the City Council will take into consideration an approach to the treatment of STRs, including whether to loosen or tighten current restrictions in light of anticipated demand associated with major events. This analysis will take into account community impacts, regional coordination, enforcement capacity, and potential revenue implications, including Transient Occupancy Tax (TOT). Irvine remains committed to protecting neighborhood quality of life while also responding responsibly to regional and global events that may impact housing and tourism. The City appreciates the Grand Jury's recommendation and will incorporate it into future policy discussions and planning efforts.

Recommendation 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.

Response:

The City of Irvine agrees with this recommendation and supports increased regional collaboration to address the shared challenges and evolving legal landscape surrounding STRs. While cities may take different approaches to STR regulation based on local needs and policy objectives, regular communication among city leaders offers a valuable opportunity to exchange best practices, enforcement strategies, and legal insights.

The City welcomes the opportunity to participate in biannual discussions with other Orange County jurisdictions and would support the establishment of a coordinated forum or working group to facilitate this exchange. As STRs continue to impact housing, tourism, and neighborhood stability across the region, Irvine remains committed to working collaboratively to identify balanced, effective solutions that reflect both local values and regional priorities.

City of Irvine Response to Grand Jury Report November 5, 2025

We trust this response from the City of Irvine will be filed with the Orange County Grand Jury so that anyone reading the Grand Jury report will be able to evaluate it in light of Irvine's response set forth above. We appreciate the Grand Jury's attention to this important topic as cities throughout Orange County work to balance the impacts of STRs on their communities.

Thank you for your consideration of this important matter.

Sincerely,

Larry Agran (Nov 5, 2025 13:38:14 PS

Larry Agran Mayor

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

ec: Irvine City Council

Jeff Melching, Rutan and Tucker

Stephanie Frady, Director of Community Development