



Date: February 8, 2018
To: Patrick H. West, City Manager *PLW*
From: Tracy M. Colunga, Innovation Team Director *TC*
For: Mayor and Members of the City Council
Subject: **Nuisance Motels Pilot Program**

Between 2005 and 2009, through the City Redevelopment Agency (RDA), the City purchased and abated approximately 12 nuisance motels. Unfortunately, the City must now look to other solutions with minimal fiscal impact to address nuisance motels. Staff from the City Prosecutor's and City Attorney's Offices, Development Services, Health and Human Services, Police, Fire, and Financial Management Departments, and the Long Beach Innovation Team (i-Team) have met to address ongoing issues involving nuisance motels in the City. Specifically, staff focused on motels that meet the criteria of a nuisance location, as defined by Section 9.37 Nuisance Code of the Long Beach Municipal Code, and those experiencing a high volume of police-related calls for service. Staff reviewed the internal nuisance abatement process, analyzed police activity data, and policies and practices of other cities pertaining to the regulation of nuisance motels. This memorandum provides an overview of the findings and potential solutions.

We are making great progress in many areas to mitigate the negative impact of many nuisance-type businesses and properties. Regarding the nuisance motels, we recommend continuing the pilot program described below, focusing on the six motels identified and adding more as necessary. If significant funding is identified, the City could restart the program originated in the former RDA to purchase nuisance motels. With a funding source, the City could also explore amortizing the life span of identified nuisance motels.

Existing Long Beach Regulations

The City has several programs in place as part of its efforts to combat nuisance-related activity. As noted, under the former RDA, the City was able to purchase and abate a dozen nuisance motels. The Nuisance Abatement Ordinance and other various code enforcement policies represent other long-standing abatement programs. The recently adopted and award-winning Alcohol Nuisance Abatement Ordinance (ANAO) is currently in its fourth phase of implementation with nearly 100 percent compliance by participating businesses. The ANAO program targets existing legal non-conforming liquor stores operating without a Conditional Use Permit (CUP) by establishing additional aesthetic and operational requirements to improve public safety. These requirements may include removal of unauthorized signs, advertisements, products, shelving from windows, exterior pay phones and other catalysts for loitering and unlawful activities, as well as requiring enhanced lighting, and surveillance systems. Other City nuisance abatement measures in place include the prohibition of hotel and motel room rentals more than once every 12 hours and the City's award-winning graffiti removal program.

Review of Existing Regulations in other Cities

A review of existing regulations in other cities pertaining to nuisance hotels and motels was completed as part of the study. Staff found that many of the City's current hotel and motel regulations are also being implemented in other cities, including the cities of Anaheim, Chula Vista, Compton, Oakland, and Louisville, KY. Certain provisions were identified that would complement the City's existing regulations and merit further consideration. Staff recommends expanding the City's approach to incorporate regulatory measures used by the Cities of Anaheim and Chula Vista to address various nuisance motel and hotel issues impacting the City.

Anaheim, CA

In recent years, the City of Anaheim (Anaheim) implemented multiple measures to address nuisance motels. In 2017, Anaheim focused its efforts on increased inspections of low-cost motels that operate as longer-term housing for families and residents. In March 2017, Anaheim adopted an Ordinance to include a citywide Quality Motel Inspection Program, which amends the rental housing preservation section of its municipal code to include motels and increase regulation of substandard units. 'Residential motels' are now required to register with Anaheim and provide additional information about management practices, and face fines for outstanding issues. Anaheim also purchased a 'problem motel' and has plans to lease the property to an affordable housing developer to build senior homes. Finally, Anaheim is pursuing the long-term strategy of re-zoning the Beach Boulevard corridor in West Anaheim to ultimately phase out and redevelop motel sites in favor of new retail and residential developments.

Chula Vista, CA

The federal office of Community Oriented Police Services (COPS) cites the City of Chula Vista (Chula Vista) as a model for effective measures in combating low-cost motels with hotspots for crime and nuisance activity. In 2003, Chula Vista began an ambitious multi-year program to curb crime and the volume of police calls for service at its hotel and motel establishments, following requests from business groups. Following a series of ineffective strategies, Chula Vista shifted to a proactive multi-departmental approach bolstered by a Hotel/Motel Permit to Operate Ordinance that required a permit to operate within the city. The Permit to Operate established regulations for hotels and motels tied to security measures, room quality, drug arrests, and calls for service levels for properties. As a result, calls for service at motels were reduced by nearly 50 percent, and arrests at motels were reduced by between 65 and 70 percent.

Police Data Analysis

To identify trends and establish baseline averages for police activity at motel and hotel locations in the City, staff collected and aggregated calls for service and Incident Report

records for all motel and hotel locations in Long Beach from January 1, 2014 through May 31, 2017. The datasets were analyzed separately and weighed by activity type. Calls for service were weighed by priority level to correspond with response time, with Priority One calls having the highest weight. Incident Reports were weighed by Part I and Part II crimes that corresponded with the Federal Bureau of Investigation (FBI) Uniform Crime Reporting. Each hotel and motel was then assigned a final index score from both datasets and weighed once more by the number of rooms at each location. The final scores provided baseline values to track police activity in Long Beach going forward by location, type of establishment and size, as well as quarterly trends over time. The results from the police data analysis were narrowed down to the locations with the highest scores, from which six locations were selected for a pilot program.

Pilot Program and Next Steps

Staff has outlined a three-pronged cumulative approach to address nuisance hotels and motels moving forward:

1. Staff has initiated a pilot program at six motel locations with high levels of police activity. Site visits to pilot locations are focused on interdepartmental collaboration, community support, and partnerships with motel owners and managers. Staff drafted a compliance plan that incorporates best practices by other jurisdictions. The plan includes existing and expanded regulations that will be codified in a potential Ordinance. These regulations may, include property security measures around crime prevention through environmental design, environmental regulations to guarantee healthy conditions, and visitation requirements that ensure additional vetting at establishments. The plan also provides recommendations for additional measures motel staff can take, such as added security inspections, and activity logs, to reduce police activity at hotel and motel locations. This model balances enforcement with support to motel managers provided by City staff. Additionally, crime prevention strategies that focus on building collaboration with motel operators and community stakeholders may also help with ensuring outcomes that lead to a reduction in criminal activity.
2. As the cost of rent continues to increase regionally, it is likely that low-cost motels and hotels will continue to serve as primary housing for a growing number of low-income residents. Ensuring that living conditions in these locations comply with rental regulations could serve as both a nuisance abatement mechanism and crime deterrent, while helping to protect residents from harmful conditions and falling into greater housing precarity. Research indicates that targeting structural conditions and environmental-site issues, rather than individual tenants or owners, may be most effective in nuisance abatement. Staff is exploring the possibility of an amendment to the City's Ordinance to include additional regulations aimed at diverting certain issues from police intervention, including additional security requirements, and establishing alternative points of contact with City staff, such as Health Department professionals that lead the Human Trafficking Task Force. This strategy is similar to Anaheim's efforts focused on increased oversight of living conditions in motels to prevent displacement and homelessness of de-facto

residents. One potential method is to expand the City's Proactive Rental Housing Inspection Program (PRHIP) to include motels that have been identified as informal long-term housing locations for residents.

3. Long-term solutions should focus on zoning and land use changes to phase out motels as allowable uses in areas where motel tourism is no longer an economically sustainable activity. Opportunity exists to incorporate zoning and land use changes into the City's existing efforts, including the Uptown Livable Zoning and Investment Plan (UZIP). This could incentivize motel owners to convert their properties to more viable uses, such as mixed-income and/or mixed-use housing and commercial centers. Additionally, a well-crafted path could be taken via amortization of motels as an allowable use along high-crime corridors. This may only be feasible when applied to locations with the least amount of physical improvements and capital investment, and the highest nuisance levels. Historic evidence shows that amortization is an expensive and time-consuming process even in ideal circumstances, have a high litigation rate, and can often take 20 years or longer to fully phase out a nonconforming use. This may require extensive legal and economic analysis. However, recent positive examples in the region point to its effectiveness. For example, in National City, CA, a 2006 amortization ordinance provided the framework for community health organizations to partner with National City to flag pollutant businesses for removal using an Environmental Protection Agency-approved methodology. The ordinance also led to improved efforts by at-risk businesses to clean up their operations.

Financial Impact

The development of a Nuisance Motels Ordinance will require additional General Fund resources that are currently unbudgeted and unfunded. Administration and inspection staff costs are also unbudgeted and unfunded. The cost to develop an Ordinance and amortization program includes staff time, consultant fees and legal support to implement the policy and protocol. If fully implemented, the Ordinance will result in an annual cost increase across multiple departments including Development Services, Financial Management, Police, Fire, Health Departments, and the City Prosecutor's and City Attorney's Offices.

However, the North Long Beach Planning Grant is an opportunity to explore the possibility of an amortization ordinance. As currently constructed, half of the pilot locations are within the North Long Beach UZIP area, which is set to begin in early 2018. This provides an opportunity to conduct in-depth compliance monitoring with these locations and explore market considerations in the area within the scope of the UZIP grant at no cost to the City. However, if amortization is pursued, outside consultants will be needed to provide legal and economic analyses. These services can cost between \$100,000 to \$500,000 depending on the scope of work and size of the area to be enforced. Finally, once values are derived for nuisance properties to be amortized, costs may likely range in the millions of dollars, depending on property characteristics.

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Staff recommends continuing the pilot program through the end of FY 18 to further develop recommendations and solutions for these establishments, while working to identify funding opportunities.

If you have any questions regarding the Nuisance Motels Pilot Program, please feel free to contact me at (562) 570-7440, or Tracy.Colunga@longbeach.gov.

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