

CAPISTRANO BAY DISTRICT  
AGENDA REPORT  
May 27, 2014

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*Manager's Reports*

## ITEM J.1

### Management of Impact from Short Term Rentals

It is the intent of the Board of Directors to do everything possible and within their power to ensure the quality of life and maintain the rights of all homeowners. The Board and the District cannot take sides in this rental issue and as long as short term rentals are permitted in the City the Board must respect the rights of the rental owners as well.

The Directors are in the process of developing an overall management plan to more effectively deal with renter-related problems. It is generally agreed by the Board that the genesis of a majority of issues begins with over-occupancy which creates the following weekly problems:

- excess traffic
- parking overflow onto neighbors' areas
- too many people on the beach, overflowing onto neighbors' beach areas
- frequent loud noise and parties

While it is recognized that property owners can occasionally create similar problems, it's not every night throughout the entire summer.

So far, it doesn't appear that the City has any idea of how much work it's going to take to manage and enforce their new short term rental program. The Board feels it will take this first summer for the City to really get a sense of the challenge they've taken on. The Board also feels it will take this first summer to fine-tune its own program. As a starting point, the Board is recommending the following actions:

- continue with renter-related vehicle counts at the gate
- continue with updating the City's list of permitted rentals, allowable occupancy and parking
- begin logging every renter-related violation (noise, parking, fires, occupancy, trash, etc)
- begin issuing parking citations by District Police officers
- tow illegally parked vehicles if the owner/s cannot be quickly located
- begin counting excess vehicles at rental addresses in the early morning hours
  - \*this will be our only method of determining over-occupancy
- report all recorded problems and observations with the city on a regular basis
- follow up with the city on action taken by code enforcement on reported violations
- if code enforcement fails to follow up then go higher up in the city with our concerns

*(continued on next page)*

This is only a brief general list of basic actions to take and a place to start. As this summer season progresses, the list will change and expand to include other effective strategies and actions. The assumption right now however, is that if occupancy can be controlled then many of the issues resulting from over-occupancy will no longer be a problem. And as it stands at this moment, rental properties are limited to only TWO vehicles per unit and while there may be more parking available at any home, the new short term rental code is the rule of the day and code enforcement indicates that so far, no one has come to the City with a request for more parking which means the City will be enforcing the two-vehicle rule.

#### Proposal for Charging a Renter Impact Fee

The Board is recommending that all rental owners, including both short and long term, pay a refundable security deposit to the District. This is being suggested as a way to balance the cost of impact between the more proactive rental owners who follow the rules and comply with the new code and those rental owners/managers who may disregard the rules.

The thinking on this is that the District would maintain the deposit account and deduct a set amount (like a fine) when there is a violation. If there are no violations then the owner gets his security deposit returned when the season is over or maybe the District holds the deposit on the books for as long as the home is operated as a rental.

There is no question that the rental activity in the community burdens the District's resources and District legal counsel has determined that charging a recovery fee is allowable and legal and will not trigger compliance with Proposition 218. Determining the amount of the fee is difficult and would be a costly study and wouldn't be fair to those who are properly managing their renters. The proposal to establish a refundable security deposit program would be a much less costly program to develop and would bring a better balance between the rental owners.

Remember that these are suggestions and recommendations and the Board is continually open to your comments and ideas for ways to improve on the proposed management plan.