

CAPISTRANO BAY DISTRICT  
AGENDA REPORT  
*August 31, 2021*

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*Quality of Life – CBRA Business*

## **ITEM 11a**

### Short Term Rentals/City Progress

#### **STR Stakeholder Meeting August 19, 2021**

The agenda for the meeting was to provide an update and field any stakeholder recommendations for STR regulations.

City council provided the following STR policy guidance at their July 21, 2020:

- Maintain the character of our neighborhoods by not encouraging absentee corporate investment
- Firmly protect against nuisances
- Balance the rights and responsibilities of all residents and homeowners, and honor HOA regulations

On June 1, 2021, the City updated existing STR regulations which included:

- Minimum night stay: 2 nights (CCC requests Home Stay STRs allow a minimum of 1 night)
- Maximum overnight occupancy: 2 per bedroom plus 2
- Maximum daytime occupancy: 2.5 x night occupancy, max of 20
- Required parking: 2 spaces
- Noticing: Annually notice abutting neighbors
- Santa Barbara Court Case *Kracke v. Santa Barbara* 2021 (means only 'complaint driven' enforcement action)
- CCC is the regulatory authority for Land Uses in the Coastal Zone and STRs shall be permitted to improve coastal access

The STR Subcommittee evaluated the following information to establish a framework for developing STR regulations:

- Two community surveys
- City Council direction
- CCC guidance
- Code Enforcement date
- Phase 1 community input

STR Definitions:

- **Home Stay** – The property is the owner’s primary residence, and they reside on the property while operating the STR. In the case of a multi-family (duplex, tri-plex etc.) property, the owner resides in one of the units while the other units are rented as STR’s on the same property.
- **Primary** – The property is the owner’s primary residence, and it is rented when they are not residing at the property.
- **Non-Primary Residence** – The property owner does not reside on the property during the time a renter is occupying the residence.

Existing Permit Distribution for the 135 STRs currently in City of Dana Point:

- STRs by Type: 123 Non-Primary, 6 Primary, 6 Home Stay
- STRs In/Out Coastal Zone: 71 in CZ, 64 out CZ
- STRs by Zones: 93 MFR (Multi-Family Residential Zone), 42 SFR (Single Family Residential Zone)
- STR Framework for new Short-Term Rentals:

***This is where they were looking for feedback from stakeholders:***

**Location:** What types of STRs should be permitted in each zone type?

- Non-Primary
- Primary
- Home Stay

Laguna Beach

- Allows STRs in mixed use and commercial zones in their downtown
- Allows Home Stays in residential districts

**Permit Cap:** Should a permit cap be established for some STR types? There are currently 135 STR permits.

- Non-Primary
- Primary
- Home Stay
- Should caps be determined by zoning district? Voting districts? Census block? Coastal vs non-coastal?

Laguna Beach

- 117 STRs exist in the City of which 79 operate in residential zones
- 300 Non-Primary STRs in mixed use and commercial zones in their downtown
- 165 Home Stays in the permitted zoning districts

CCC requires the STR cap to be consistent with the demand.

**Transfer of permits:** Should all permits transfer to the new property owner?

- Existing STRs
- Non-Primary
- Primary
- Home Stay

The City of Laguna Beach allows existing/legal non-conforming STRs to transfer to new property owners

**Maximum number of rental nights per year:** Should some types of STRs have a minimum number of nights for rent?

- Non-Primary
- Primary
- Home Stay

Maximums for other Cities

- San Francisco – 90 nights maximum
- Pismo Beach – 182 nights maximum for Primary STRs and no limit for Home Stay STRs
- Palm Springs – 36 contracts annually

**Multi-Family:** Limit percentage/number of STRs for a multi-family property, (Duplex, Triplex, etc.)?

- Address potential impacts on rental stock
- Laguna Beach – 5 or fewer units allow 1 STR. Multi-family properties with over 5 units allow up to 20 percent of the units to operate as STRs

**Next Steps:**

1. Planning Commission briefings (on-going)
2. Public meetings
  - a) Dates to be determined
  - b) Public outreach program
  - c) City wide informational flyers
3. Additional stakeholder meetings as necessary