

CAPISTRANO BAY DISTRICT  
AGENDA REPORT  
April 26, 2022

---

*Short Term Rentals*

## ITEM 11a

### Short Term Rentals Update

#### **STR Public Workshop held during the Planning Commission Meeting on April 11, 2022**

Since the City's adoption, in June 2021, of its new and enhanced STR regulations, various current court decisions in neighboring cities have made it clear that compliance with the Coastal Act is needed for any regulation of short-term rentals.

To ensure compliance, the City of Dana Point has continued its efforts for the development of an STR Program that will comply with the Coastal Act. This draft STR Program was developed by utilizing Section 5.38 Short-Term Rental Permits of the Dana Point Municipal Code as the foundation. Additional provisions were included based upon feedback received from the public, and the CCC, as evaluated and discussed by the STR Subcommittee.

#### **STR Program Regulations in addition to DPMC Section 5.38**

- **STR Types:** allow three types: primary, non-primary, and home stay STRs, as defined as:
  - o **"Primary Short-Term Rental"** The property is the owner's primary residence, and it is rented when traveling or living elsewhere.
  - o **"Non-Primary Short-Term Rental "** shall mean that the owner rents out homes other than their primary residence to visitors.
  - o **"Home Stay Short Term Rental"** shall mean that the owner rents out a portion of their home while continuing to live in the home while visitors are renting. In the case of a multi-family (duplex, tri-plex, etc.) property, the owner resides in one of the units while the other unit on the same property is rented to visitors.
- **Permitted Zones:** all three types allowed in all residential and mixed-use zones in the City.
- **Permit Cap:** Non-primary capped at 185 permits citywide. No cap for primary and home stay STRs.
  - o Permit cap will be evaluated in five years. If increased, an amendment to the Coastal Development Permit is required.
- **Multi-Family Structures:** apartments one STR per building. No limit for condominiums.
- **Transfer of permits:** only for inherited properties.
- **Permits Per Owner:** one STR permit per owner. Existing owners with multiple permits are permitted to retain their permits until the property is sold.
- **Waitlist:** establish a waitlist for new STR permits to be issued once the cap is met.
- **Prohibition(s):** STRs prohibited in Accessory Dwelling Units, Junior Accessory Dwelling Units, Single Family Residential Duplexes (SB9), and designated affordable housing.
- **Operator Regulations** – specific regulations for each type of STR
  - o **Home Stay** – owner must reside in the residence when the property is rented from 10:00 p.m. to 7:00 a.m.
  - o **Primary** – rented a maximum of 60 days annually