

CAPISTRANO BAY DISTRICT
AGENDA REPORT
August 30, 2022

Quality of Life – Short Term Rentals

ITEM 11a

HOA's vs STR's

At last month's meeting re STR's, it was discussed that the District has no legal authority to regulate this activity here on Beach Road and must rely on the City of Dana Point to provide controls. It was pointed out that some HOA's in town are able to prohibit STR's as they are limited through their CC&R's, of which the City has no authority over.

Staff was then directed to explore the possibility of the Beach Road community somehow converting over to an HOA, thus possibly providing the community with a greater ability to control STR activity. Counsel has been tasked with researching how this might be achieved. There is no report at this time from Counsel but information is expected in time for the Board meeting.

Renter Recovery Fee

Counsel has been asked to look into this matter as well but it's being set aside until the matter of looking into converting to an HOA has been researched.

As background, the District had put together a fee program several years ago that was stopped soon after it was implemented. Counsel at that time pointed out that because vacation rentals were prohibited in the City's code, it would be illegal for the District to assess a fee.

Today with the legalizing of vacation and short term rentals at the City level and also the real possibility that MORE STR's could be coming to Beach Road, the District is in a stronger position to assess a recovery fee, based on the impact of vacation rentals on the District's resources – resources that were never intended to deal with this type of activity.