

CALIFORNIA COASTAL COMMISSION

SOUTH CENTRAL COAST AREA
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November 30, 2016

Board of Supervisors
County of Santa Barbara
123 East Anapamu Street
Santa Barbara, CA 93103

RE: Short-term Rental Ordinance

Dear Supervisors,

Commission staff has reviewed the County of Santa Barbara's proposed Short-term Rental Ordinance to be considered for approval at the Board of Supervisors meeting on December 6, 2016 and would like to provide your staff with the following comments for your consideration. The purpose of the Ordinance is to amend language within the Land Use Development Code and Article II Coastal Zoning Ordinance to implement new regulations and other revisions for permitting and prohibiting short-term rentals in the unincorporated areas of the County. The Ordinance will allow for short-term rentals to be permitted within the Coastal Zone through a Coastal Development Permit (CDP) in the Limited Commercial, Retail Commercial, Resort/Visitor Serving Commercial, and AG-II zoning districts. Along with the requirement of obtaining a CDP, short-term rentals in AG-II zones will also be subject to compliance with specific development standards. The Ordinance will prohibit short-term rentals in all other zoning districts, including all residential zones. Based on our review of the Short-term Rental Ordinance, Commission staff has concerns regarding the Ordinance's consistency with the agriculture and public access policies of the County's Local Coastal Program (LCP), including the agriculture and public access Coastal Act policies that are incorporated into the LCP.

Short-Term Rental Prohibition in Residential Zones

In past actions, the Commission has found that vacation or short-term rentals, including those in residential zones, can provide an important source of visitor accommodations in the Coastal Zone. In some instances, residential short-term rentals may provide a lower cost alternative to renting hotel or motel rooms, especially for large families or groups of individuals. This can subsequently increase public access to the coast for many families that might not otherwise be able to afford more expensive hotel options. In all cases, short-term rentals increase the options available to coastal visitors, oftentimes in residential areas along the immediate shoreline where there are no other significant commercial overnight opportunities. The Commission has recognized, however, that there are concerns regarding potential adverse impacts associated with vacation or short-term rentals in residential neighborhoods, such as altering community character, noise and trash issues, parking and transportation impacts, housing stock impacts, and enforcement issues. Thus, while recognizing the value of residential short-term rentals to coastal visitors, the Commission has sought to also address these types of adverse impacts associated with unregulated short-term rentals through reasonable and balanced regulations. For example,

the Commission has historically supported vacation rental regulations that provide for all of the following:

- Limits on the total number of vacation rentals allowed within certain areas (e.g., by neighborhood, by communitywide ratio, etc.).
- Limits on the types of housing that can be used as a vacation rental (e.g., prohibiting vacation rentals in affordable housing contexts, farmworker housing, etc.).
- Limits on maximum vacation rental occupancies.
- Limits on the amount of time a residential unit can be used as a vacation rental during a given time period.
- Requirements for 24-hour management and/or response, whether onsite or within a certain distance of the vacation rental.
- Requirements and limitations regarding onsite parking, garbage, and noise. Signage requirements, including posting 24-hour contact information, posting requirements and restrictions within units, and incorporating operational requirements and violation consequences (e.g., forfeit of deposits, etc.) in rental agreements.
- Payment of transient occupancy tax (TOT).
- Enforcement protocols, including requirements for responding to complaints and enforcing against violations of vacation rental requirements, including providing for revocation of vacation rental permits in certain circumstances.

The Commission has not, however, supported amendments that prohibit or unduly restrict the rental of residences to visitors in a manner that will diminish the public's ability to access and recreate on the coast. A ban of short-term rentals within all residential zones in Santa Barbara County would thus be inconsistent with previous Commission actions as well as public access policies in the County's LCP, such as Coastal Act Sections 30213 and 30222, that seek to protect and encourage visitor-serving development and lower cost visitor and recreational facilities. Commission staff recommends that the regulation of short-term rentals include regulation within residential zones rather than a complete prohibition within those zones.

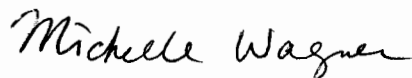
Short-Term Rental Allowance in Agriculture II (AG-II) Zone

Commission staff is also concerned that the provision of short-term rentals on AG-II zoned parcels is inconsistent with the policies of the LCP that protect agriculture and that the provision may result in potential conflicts with on-site and adjacent agricultural operations. The purpose of the AG-II zone pursuant to CZO Section 35-69 is to "establish agricultural land use for large prime and non-prime agricultural lands in the rural areas of the County (minimum 40 to 320 acre lots) and to preserve prime and non-prime soils for long-term agricultural use." Sections 30241 and 30242 of the Coastal Act intend to protect the maximum amount of prime agricultural land and prevent the conversion of lands suitable for agriculture to non-agricultural uses. In addition, Policies 8-2 and 8-3 in the LCP state that parcels designated for agricultural use shall not be converted to non-agricultural uses except in limited circumstances and such conversion shall not conflict with contiguous agricultural operations in the area and shall be consistent with Sections

30241 and 30242. Furthermore, Section 30222 of the Coastal Act allows for visitor-serving commercial recreation facilities on private lands, but it does not allow for the provision of such visitor-serving use instead of agriculture on land suitable for agriculture. The ordinance, as currently written, limits the number of short-term rentals allowed per lot to only one dwelling, including legally established residential second dwelling units (which are currently not permitted on AG-II parcels), but excluding agricultural employee dwellings and farmworker housing. Therefore, the ordinance would only allow short-term rentals in the primary single family dwelling unit on a parcel in the AG-II zone within the Coastal Zone. However, the primary single family dwelling unit on a parcel in the AG-II zone is intended to be occupied by the operator of the agricultural use of the property or the property owner. Commission staff is concerned that the use of primary residential dwelling units in AG-II as short-term rentals year-round has the potential to result in adverse impacts to agricultural operations and use on the properties. Additionally, Commission staff is concerned that while the ordinance does not allow agricultural employee dwellings or farmworker housing to be used as short-term rentals, the provision of short-term rentals on AG-II properties may incentivize property owners to build or convert agricultural employee housing for short-term rental purposes, and such violations would likely be difficult to monitor or enforce. Further, while the ordinance requires a nuisance response plan and sets limits on noise levels for short-term rentals on AG-II zoned properties, it does not address requirements aimed at preventing conflicts between the use of a short-term rental and agricultural operations in the vicinity of the short-term rental. Commission staff recommends that the County consider alternatives to avoid potential adverse impacts to long-term agricultural use and operations in AG-II in the Coastal Zone, such as allowing homestays instead of short-term rentals, or limiting the amount of time a unit can be used as a vacation rental during a given period along with additional requirements to ensure the use can be accommodated without impacting agricultural operations.

This letter represents Commission staff's preliminary comments on the Short-term Rental Ordinance. Depending on the final proposed language as submitted through an LCP amendment, there may be additional comments or issues to be addressed. Thank you for the opportunity to review and provide comments. If you have any questions regarding these comments, please contact me at 805-585-1800.

Sincerely,



Michelle Wagner
Coastal Program Analyst