



Planning and Development Department
LONG RANGE PLANNING DIVISION

SHORT-TERM RENTALS

COASTAL ZONE OPTIONS

BOARD OF SUPERVISORS

SEPTEMBER 1, 2020

Purpose

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Receive guidance from the Board on:

- Revised coastal STR ordinance, given the Board's previous direction & staff analysis;
- Options the Board considered previously that you may want to revisit; and
- CCC-approved STR regulatory approaches from other jurisdictions.

Presentation Outline

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- Background & CCC Denial
- Previous Board Direction & Staff Analysis
- Recent STR Activity in CZ
- Options Board Previously Considered
- CCC-Certified Approaches from other Jurisdictions
- STR Conditions & Standards
- TOT Data
- Recommended Actions

Presentation Outline

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Background

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- October 3, 2017 BOS approved Short-Term Rental (STR) amendments to Article II the Coastal Zoning Ordinance.
- Previous Local Coastal Program Amendment (LCPA) would've allowed STRs in:
 - ▣ Commercial Zones (Retail, Visitor Serving, Limited, Highway)
 - ▣ Coastal Historic Overlay District
 - ▣ Homestays allowed in Residential and AG-I

Coastal Commission Denial & Findings

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- May 10, 2018- CCC voted to deny the County's Coastal STR LCPA. CCC Findings:
 - ▣ LCPA failed to protect existing overnight accommodations
 - ▣ Reduction in visitor-serving overnight accommodations would prohibit or unduly restrict the public's ability to access and recreate on the coast
 - ▣ Homestays would not meet the needs of larger groups or families seeking accommodations on the coast

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August 2018 Board Direction

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- Develop an ordinance that provides a permit path to STR operators who:
 - ▣ Operated during the 5-year period prior to the October 2017 STR BOS hearing;
 - ▣ Possessed a valid Transient Occupancy Tax (TOT) certificate; and
 - ▣ Remitted TOT to the Treasurer Tax Collector (TTC) during the entire 5-yr. period
- Terminate STR operation upon sale/transfer of property

Staff Analysis on Board Direction

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- 41 STR properties met the three criteria and would be eligible for an STR permit
- CCC Unlikely to support approach because:
 - 41 is substantially lower than the 157 eligible under the Coastal Historic Overlay denied by CCC
 - Number would diminish over time as properties are sold/transferred

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Recent STR Activity in the Coastal Zone

STRs Active from August 2019 - August 2020	
Supervisory District	STRs Count
District 1	184
District 2	14
District 3	7
Community Plan Area	STRs Count
Montecito	72
Summerland	50
Toro Canyon	31
Eastern Goleta Valley	14
Goleta	6
Gaviota	1
Coastal Zone Outside CP Boundaries	31
Total in Coastal Zone	205

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Previous Options Considered

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- Concentration limits
- Permit limits
- Primary Residence (Home-sharing)
- Rental Agency Operation Only
- Minor CUP Requirement
- Night maximum
- Lot size

CCC Direction on STR LCPAs

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- Importance of STRs as visitor-serving accommodations
- STR regulations should balance this resource for coastal visitors with local concerns such as:
 - Community Character,
 - Permanent Housing Stock & Affordability,
 - Noise, and
 - Parking & Traffic

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CCC Certified Approaches

	Primary Residence	Overlay Zone	Zoning & Lot Size	Permit Limit or Conc. Limit	Business License	Min. Night Stay	Bedroom Max.
Pismo Beach	●		●		●		
Santa Cruz Co.		●	●	●			
Carpinteria		●	●	●	●		
Laguna Beach	●		●				
Ventura Co.	●		●		●		●
Santa Cruz	●		●	●			
SLO Co.			●	●	●		
Solana Beach			●		●	●	
Trinidad	●	●	●	●	●	●	
Oxnard	●	●	●	●	●	●	●
Total	6	4	10	6	7	3	2

Primary Residence & Rental Limits

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- Dwelling must serve as Owner's permanent residence
- Limit one STR per Operator
- Use Official Documents to establish Primary Residence
 - ▣ Income Tax Return
 - ▣ Property Tax Exemption
 - ▣ Property Title
- Benefits
 - ▣ Preserves Permanent Housing

Zoning & Lot Size Limits

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- All 10 jurisdictions used zoning
- No explicit lot size limits, but may be inherent in zoning limits
- Benefits
 - ▣ May limit nuisance issues and oversaturation, especially in areas with high housing density

Permit Limits & Concentration Limits

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- Permit Limits- cap the number of STRs within a planning area
 - ▣ Can be a numerical limit or percentage of STRs per dwelling units in a Planning Area (e.g. 5%)
- Concentration Limit –Typically require a set distance between STRs
 - ▣ Concentration limits may favor those first to a permits
- Benefits - Intended to limit nuisance issues and preserve neighborhood character

Business License

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- Ability to terminate/non-renew if operator:
 - ▣ Does not diligently remit TOT
 - ▣ Receives too many violations
 - ▣ Does not comply with permit/license provisions
- Termination of a permit upon sale/transfer of a property
- Coordination with Treasurer Tax Collector needed
- Benefit
 - ▣ Greater enforcement capability

STR Regulatory Approach Conclusion

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- Staff support STRs and homestays in the CZ in:
 - Commercial & Mixed-Use Zones; and
 - Residential zones subject to some sort of permit/concentration limit

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STR Conditions & Use Standards

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- Santa Barbara County Inland Area:
 - Compliance with Fire, Building, and Health Codes
 - Limits on occupancy for adults and children per bedroom
 - Limits on visitors
 - Prohibition of events
 - Parking requirements
 - Noise restrictions
 - Nuisance Response Plan that includes a local contact who can respond to an issue in a timely manner

STR Conditions & Use Standards

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- Other Jurisdictions Standards & Enforcement Staff Recommendations:
 - ▣ Emergency Response Plan
 - ▣ Limits on water usage as needed due to onsite water treatment system limitations
 - ▣ Require advertised STR listings to reflect the limits and requirements in the County's ordinance
- Coastal Accessory Dwelling Unit Ordinance prohibits use of ADUs as an STR

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Transient Occupancy Tax Revenue

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Timeframe	Amount of TOT Collected for STRs	Number of TOT Certificates for STRs
FY 2014 – 2015	\$1,416,339	492
FY 2015 – 2016	\$1,669,810	535
FY 2016 – 2017	\$1,880,824	539
FY 2017 – 2018	\$2,016,028	480
FY 2018 – 2019	\$1,688,150	437
FY 2019 – 2020	\$1,255,488 (Not a final total)	332

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Staff Recommendation Summary

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- Provide Direction to staff on how to proceed regarding the regulation of STRs and Homestays in the Coastal Zone
- Determine the Board's briefing is not a project subject to CEQA per §15378

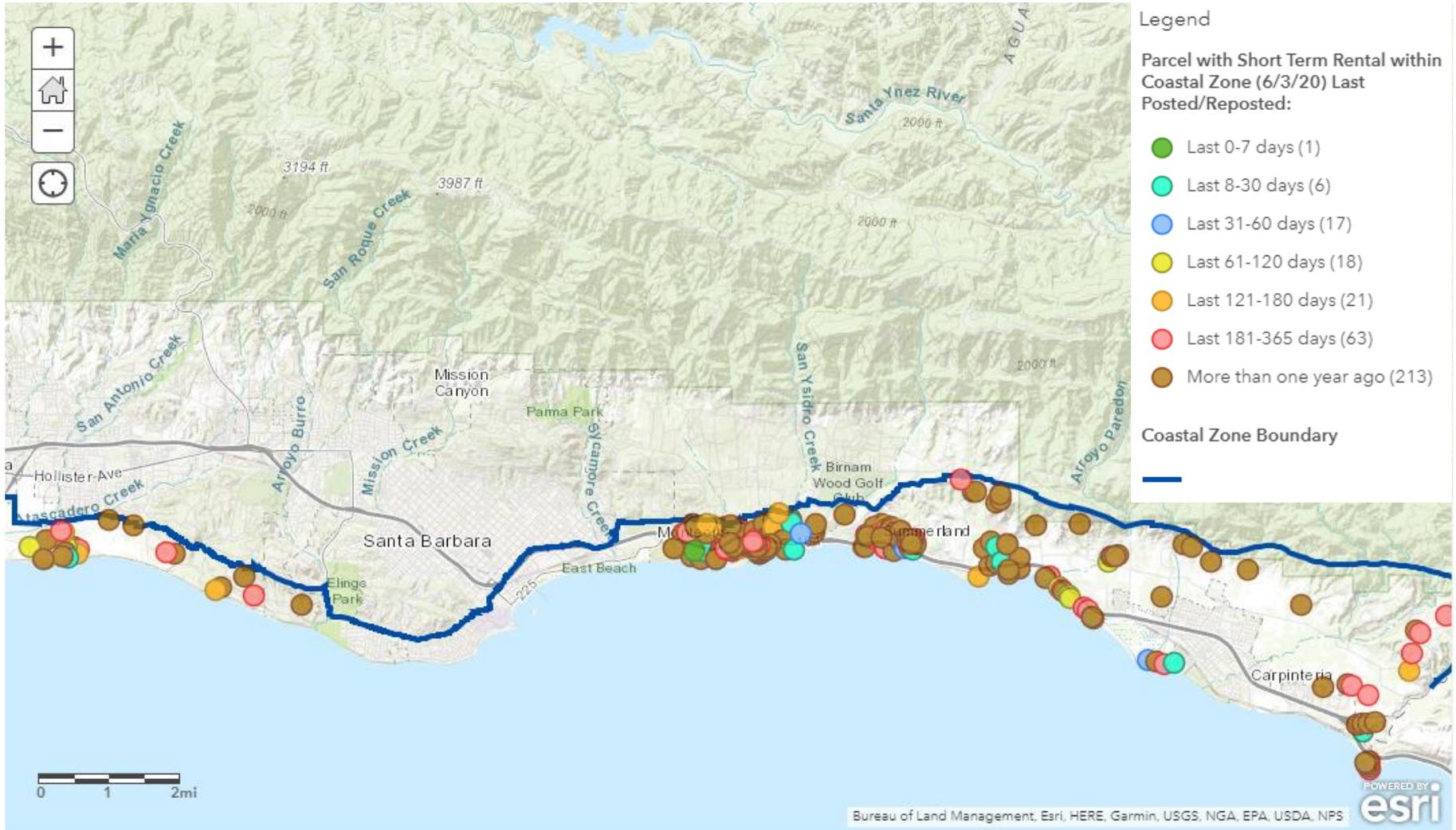
Thank you,
Questions?

Extra Slides

Interactive Map

<http://tiny.cc/tbrjsz>

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Primary Residence Examples

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□ Examples

- ▣ Pismo Beach (STR: Up to 180 days/year)
- ▣ Santa Cruz (STR: Up to 182 days/year)
- ▣ Trinidad (STR: Up to 59 days/year)
- ▣ Ventura County & Oxnard (Homestay Only)

Overlay Zone

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- Applied to a geographic area, based on unique characteristics or issues e.g. Community Plan Area or Zoning District
- Any of the other approaches may be applied within an zoning overlay e.g. permit limit, etc.

Overlay Zone

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- Examples
 - ▣ County of Santa Cruz,
 - ▣ Carpinteria,
 - ▣ Trinidad
- Benefits
 - ▣ May avoid negative effects of STRs where they are excluded.
 - ▣ STRs are included where they are an appropriate use.

Minimum Night Stay

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- May reduce STR use for events and parties and their associated nuisance issues.
 - ▣ Minimum night stays of 2, 3, and 7 nights have been certified.
- May be difficult to enforce without accurate rental records.

Bedroom Limits

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- Limit the number of bedrooms allowed in an STR
 - ▣ Often accompanies a limit on overnight guests
- Examples
 - ▣ Ventura County & Oxnard limit STRs to a max of 5 bedrooms
 - ▣ Carpinteria 1 bedroom per homestay
 - ▣ SBC Inland Area homestay maximum of 3 bedrooms
- Benefits
 - ▣ The approach is intended to limit nuisance issues associated with parties or large events