

CALIFORNIA COASTAL COMMISSION

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December 6, 2016

TO: Coastal Planning/Community Development Directors

SUBJECT: Short-Term/Vacation Rentals in the California Coastal Zone

Dear Planning/Community Development Director:

Your community and others state and nationwide are grappling with the use of private residential areas for short-term overnight accommodations. This practice, commonly referred to as vacation rentals (or short-term rentals), has recently elicited significant controversy over the proper use of private residential stock within residential areas. Although vacation rentals have historically been part of our beach communities for many decades, the more recent introduction of online booking sites has resulted in a surge of vacation rental activity, and has led to an increased focus on how best to regulate these rentals.

The Commission has heard a variety of viewpoints on this topic. Some argue that private residences should remain solely for the exclusive use of those who reside there in order to foster neighborhood stability and residential character, as well as to ensure adequate housing stock in the community. Others argue that vacation rentals should be encouraged because they often provide more affordable options for families and other coastal visitors of a wide range of economic backgrounds to enjoy the California coastline. In addition, vacation rentals allow property owners an avenue to use their residence as a source of supplemental income. There are no easy answers to the vexing issues and questions of how best to regulate short-term/vacation rentals. The purpose of this letter is to provide guidance and direction on the appropriate regulatory approach to vacation rentals in your coastal zone areas moving forward.

First, please note that vacation rental regulation in the coastal zone must occur within the context of your local coastal program (LCP) and/or be authorized pursuant to a coastal development permit (CDP). The regulation of short-term/vacation rentals represents a change in the intensity of use and of access to the shoreline, and thus constitutes development to which the Coastal Act and LCPs must apply. We do not believe that regulation outside of that LCP/CDP context (e.g., outright vacation rental bans through other local processes) is legally enforceable in the coastal zone, and we strongly encourage your community to pursue vacation rental regulation through your LCP.

The Commission has experience in this arena, and has helped several communities develop successful LCP vacation rental rules and programs (e.g., certified programs in San Luis Obispo and Santa Cruz Counties going back over a decade; see a summary of such LCP ordinances on our website at:

https://documents.coastal.ca.gov/assets/la/Sample_of_Commission_Actions_on_Short_Term_Rentals

EXHIBIT NO. 3

CCC Guidance Letter on STR



Del Mar LCP #LCP-6-DMR-17-0083-3

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[.pdf](#)). We suggest that you pay particular attention to the extent to which any such regulations are susceptible to monitoring and enforcement since these programs present some challenges in those regards. I encourage you to contact your [local district Coastal Commission office](#) for help in such efforts.

Second, the Commission has not historically supported blanket vacation rental bans under the Coastal Act, and has found such programs in the past not to be consistent with the Coastal Act. In such cases the Commission has found that vacation rental prohibitions unduly limit public recreational access opportunities inconsistent with the Coastal Act. However, in situations where a community already provides an ample supply of vacation rentals and where further proliferation of vacation rentals would impair community character or other coastal resources, restrictions may be appropriate. In any case, we strongly support developing reasonable and balanced regulations that can be tailored to address the specific issues within your community to allow for vacation rentals, while providing appropriate regulation to ensure consistency with applicable laws. We believe that appropriate rules and regulations can address issues and avoid potential problems, and that the end result can be an appropriate balancing of various viewpoints and interests. 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., disallowing vacation rentals in affordable housing contexts, 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 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.

These and/or other provisions may be applicable in your community. We believe that vacation rentals provide an important source of visitor accommodations in the coastal zone, especially for larger families and groups and for people of a wide range of economic backgrounds. At the same time we also recognize and understand legitimate community concerns associated with the potential adverse impacts associated with vacation rentals, including with respect to community character and noise

and traffic impacts. We also recognize concerns regarding the impact of vacation rentals on local housing stock and affordability. Thus, in our view it is not an 'all or none' proposition. Rather, the Commission's obligation is to work with local governments to accommodate vacation rentals in a way that respects local context. Through application of reasonable enforceable LCP regulations on such rentals, Coastal Act provisions requiring that public recreational access opportunities be maximized can be achieved while also addressing potential concerns and issues.

We look forward to working with you and your community to regulate vacation rentals through your LCP in a balanced way that allows for them in a manner that is compatible with community character, including to avoid oversaturation of vacation rentals in any one neighborhood or locale, and that provides these important overnight options for visitors to our coastal areas. These types of LCP programs have proven successful in other communities, and we would suggest that their approach can serve as a model and starting place for your community moving forward. Please contact your [local district Coastal Commission office](#) for help in such efforts.

Sincerely,

A handwritten signature in black ink that reads "Steve Kinsey". The signature is written in a cursive, flowing style.

STEVE KINSEY, Chair
California Coastal Commission

CALIFORNIA COASTAL COMMISSION

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September 11, 2017

Amanda Lee
 City of Del Mar
 Planning and Community Development
 1050 Camino del Mar
 Del Mar, CA 92014

Re: Proposed amendments to the Del Mar Municipal Code and Local Coastal Program related to short-term rentals

Dear Ms. Lee:

On August 23, 2017, City staff informed Commission staff that a draft of the proposed Zone Code Amendment ZA-17-001/Local Coastal Program Amendment LCPA-17-002 related to the regulation of short-term rentals was available for public review. Commission staff has reviewed the proposed amendment and appreciates the opportunity to provide comments on this emerging issue scheduled for consideration at the 9/12/17 Planning Commission hearing.

Commission staff understands the proposed amendment would define a short-term rental as a dwelling unit rented for less than 30 consecutive days and it would require a short-term rental be rented for a minimum of 7 consecutive days and for no more than 28 days per year. These requirements would apply to the following zones: single dwelling and duplex/multi-dwelling unit zones, the Central Commercial (CC) zone, the North Commercial (NC) zone, and the Professional Commercial (PC) zone. Commission staff further understands that short-term rentals would be allowed without time limits in the Residential Commercial (RC) and Visitor Commercial (VC) zones. However, in reading the regulations for the VC zone, the allowance for short-term rentals should be clarified. In addition, commercial home exchanges and home sharing/room rentals of less than 30 days would be subject to the same minimum and maximum stay requirements as short-term rentals. Consequently, the proposed amendment makes all potential short-term rentals available for less than one full month per year.

In general, the Coastal Act requires public access to be protected, provided, and maximized for all. Short-term rentals provide overnight accommodations that support increased coastal access opportunities. In addition, Section 30213 of the Coastal Act requires:

Lower cost visitor and recreation facilities shall be protected, encouraged, and where feasible, provided ...

Lower cost visitor and recreational facilities help ensure maximum public access because without lower cost visitor serving facilities, members of the public with low or moderate incomes would be more limited in their ability to access and recreate at t

EXHIBIT NO. 4

CCC Staff Comment Letter

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term rentals may serve as a more affordable option of overnight accommodations than traditional hotels, especially for families interested in kitchen facilities, expanded living space, and large family gatherings.

Due to their function as a high priority visitor-serving use, this agency has generally interpreted local zoning ordinances in a broad fashion and found that short term rentals or vacation rentals are a form of residential use, permitted by right, in any residentially zoned area unless such uses are specifically prohibited or otherwise restricted. The standard of review for the proposed amendment is the City's certified Land Use Plan (LUP), which recognizes the requirement to ensure that all land use activities conform with the policies of the Coastal Act. Further, the City should analyze the proposed changes for conformity with LUP goals and policies, including:

GOAL IV-A Provide physical and visual access to coastal recreation areas for all segments of the population without creating a public safety concern, overburdening the City's public improvements, degrading the City's natural resources, or causing substantial adverse impacts to adjacent private properties.

Policy II-6 Encourage visitor-serving and recreation-oriented businesses that blend harmoniously with the traditional small-town character of the community.

GOAL V-B Provide the public with quality overnight accommodations and other visitor-serving facilities which enhance the unique village character of the community.

Policy V-10 The City shall ensure that development of visitor-serving facilities is compatible with surrounding development and is consistent with the policies of this Land Use Plan intended to preserve environmentally sensitive resources.

Based on the above Coastal Act and certified LUP goals and policies, Commission staff has serious concerns about, and would not likely support, the proposed adoption of a minimum 7-day stay and maximum 28 days for short-term rentals in residential and commercial zones. This agency understands and appreciates that short-term rentals may raise a number of neighborhood character and enforcement issues. However, given the proposed amendment, a person would not be able to stay in a short-term rental in Del Mar for a weekend getaway, which may be the only time he/she can take off from work or school and spend time on the coast. Thus, while some regulatory controls and management provisions for short-term rentals may be needed, the proposed amendment appears overly restrictive and would not provide the public with adequate and affordable visitor-serving facilities.

The Commission has circulated a memorandum to all coastal communities and expressed its recognition that each community is unique and may address this issue differently. As part of any proposed amendment, Commission staff strongly recommends that the City's analysis and rationale to support its proposal include an updated inventory and mapping of existing overnight accommodations, including short-term rentals, be conducted to gain

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an accurate assessment of the type, location, capacity, ownership and price range of the various forms of accommodations available to visitors. Utilization studies would also be helpful to understand existing demand for these accommodations and evaluate whether the current supply is adequate to meet current and future needs. It would also be helpful to compare overnight accommodations in Del Mar with those in other coastal communities in the region. This data is necessary to properly analyze whether any proposed amendment is appropriate.

We look forward to working with the City to develop a short-term rental ordinance that promotes and expands affordable coastal visitor opportunities while also addressing neighborhood concerns. These comments are provided by staff; and, ultimately, it will be the Commission's decision based on the information available and the public process. If you have any questions, please don't hesitate to contact me at the above office.

Sincerely,

Sarah Richmond
Coastal Planner

cc: Karl Schwing, Deputy Director
Deborah Lee, District Manager
Gabriel Buhr, Coastal Program Manager