

CALIFORNIA COASTAL COMMISSION

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May 2, 2016

City of San Clemente
100 Avenida Presidio
San Clemente, CA

Subject: City Council May 3, 2016 meeting – Short-term Lodging Units Proposed Zoning Amendment 15-426/Specific Plan Amendment 16-072

Dear Councilmembers,

Recently, the emergence and proliferation of short term rentals has become an issue in many coastal communities. In general, under the Coastal Act, these represent a high priority visitor-serving use that should be promoted as a means to provide overnight accommodations and support increased coastal access opportunities. In addition, they may also serve as a more affordable option of overnight accommodations than traditional hotels, motels, or timeshare units, especially for families. Specifically, the pertinent Coastal Act sections are as follows:

Section 30213 states:

Lower cost visitor and recreational facilities shall be protected, encouraged, and, where feasible, provided. Developments providing public recreational opportunities are preferred.

Section 30222 states:

The use of private lands suitable for visitor-serving commercial recreational facilities designed to enhance public opportunities for coastal recreation shall have priority over private residential, general industrial, or general commercial development, but not over agriculture or coastal-dependent industry.

Due to their function as a high priority visitor-serving use, the Coastal Commission has generally interpreted local zoning ordinances in a broad fashion and found that short term rentals are a form of residential use, permitted by right, in any residentially zoned area unless such uses are specifically prohibited or otherwise restricted. Nonetheless, this agency also understands and appreciates that these uses may raise a number of neighborhood character and operational issues, such as site management, number of occupants, special events, parking, litter, and noise limits. Therefore, the Coastal Commission has endorsed certain regulations to require on-site management, enforcement protocols, occupancy limits, required parking and other use provisions.

For the proposed ordinances, based on an initial review of the City Council Agenda Report Item 7B for the May 3, 2016 meeting, it is this office's understanding that the City has had a moratorium on new short term lodging units (STLUs) since July 2015. Three Ordinances under consideration, #1622, #1623, and #1624, would limit STLUs to only high density "visitor serving" areas of North Beach, Del Mar, Pier Bowl and South El Camino Real Corridor. The STLU ordinances would also provide an undetermined cap on the total number of allowable STLUs in these areas, would implement a 20% maximum of STLUs in high density residential zones and would implement operational standards such as a 5-day minimum stay.

Currently, the City does not yet have a certified Local Coastal Program¹, therefore, this City action will require approval from the Coastal Commission. The standard or review will be the Coastal Act. Based on Coastal Act mandates and preliminary evaluation of the proposed regulatory revisions, Commission staff has serious concerns about the proposed adoption of the above referenced ordinances. The impact to lower cost visitor accommodations is not analyzed in the City's staff report. For instance, it appears that the impact of a minimum stay requirement, which could limit the general public's accessibility to STLUs, was not considered in the City's review. Additionally, there isn't enough information to ascertain how the proposed caps impact the quantity of STLUs that would be allowed within the coastal zone.

In summary, Commission staff acknowledges the need to provide for some regulatory controls and management provisions for short term rentals. However, the proposed restrictions impose limits staff would likely find inconsistent with Coastal Act sections 30213 and 30222. In addition, Commission staff would strongly recommend that as part of any proposed ordinance or ordinance amendment, an updated inventory and mapping of existing visitor-serving accommodations by type, capacity, ownership and price range be conducted in order to gain an accurate assessment of other kinds of overnight accommodations available to visitors. Utilization studies would also be helpful in gauging how various forms of vacation rentals operate, and demand projections for overnight visitor accommodations are also needed to evaluate whether the current supply is adequate to meet future needs. We appreciate the opportunity to comment and look forward to working with the City to develop an ordinance that promotes and expands affordable coastal visitor opportunities while also addressing neighborhood concerns. If you have any questions, please don't hesitate to contact our office.

Sincerely,



Karl Schwing
Coastal Program Manager
Orange County

¹ The Commission certified the Land Use Plan (LUP) for the City of San Clemente on May 11, 1988, and certified an amendment approved in October 1995. The Coastal Commission refers to the LUP for guidance. The LUP currently does not have any policies specific to STLUs. Furthermore, all language pertaining to STLUs suggested by Commission staff was struck out of the final updated LUP approved by the City on February 2, 2016 (the updated LUP has not yet been certified by the Coastal Commission).