

CALIFORNIA COASTAL COMMISSION

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RECORD PACKET COPY

February 14, 2002

TO: Commissioners and Interested Parties

FROM: Charles Lester, District Manager
Steve Monowitz, Coastal PlannerSUBJECT: **SAN LUIS OBISPO COUNTY LOCAL COASTAL PLAN MAJOR AMENDMENT NO. 1-01, Part A (Vacation Rental Ordinance).** For public hearing and Commission action at its meeting of March 7, 2002, to be held at the Hyatt Regency Monterey, One Golf Course Drive, Monterey.

SYNOPSIS

This amendment proposes to define and identify residential vacation rentals as a particular type of land use, conditionally authorize this use within various land use categories throughout the County coastal zone, and establish regulations for residential vacation rentals that are applicable only in the communities of Cambria and Cayucos, where residents have expressed significant concerns regarding the impacts of vacation rentals. Should the County determine a need to apply these standards to other communities in the future, a subsequent LCP Amendment may be proposed to accomplish this purpose.

The intent of the amendment is to ensure that the rental of residences for transient use takes place in a manner that is compatible with residential communities and neighborhoods. To achieve this objective, the proposed ordinance would establish parameters regarding the allowable length and frequency of vacation rentals, as well as the number of occupants allowed. The ordinance also would institute standards regarding appearance, noise, signs, parking and traffic. Finally, the ordinance would require vacation rentals to obtain zoning clearances and building licenses, pay transient occupancy taxes, and be managed by a local contact person available 24 hours a day to respond to tenant and neighborhood questions or concerns.

The rental of a residence in Cambria or Cayucos would only be subject to these standards when it meets the definition of Residential Vacation Rental proposed by the amendment. The definition does not include the one time rental of a residence for 14 days or less per year, or the rental of an entire structure for 30 days or longer.



California Coastal Commission

SUMMARY OF STAFF RECOMMENDATION

Staff recommends certification of a slightly modified version of the proposed amendment, which establishes an appropriate balance between the need to preserve opportunities for coastal access and recreation (Coastal Act Sections 30210, 30213, and 30222), and at the same time protect adjacent public and private properties (Coastal Act Section 30210). The amendment does not prohibit the use of residences for vacation rentals (a visitor serving use that provides opportunities for coastal recreation), but establishes regulations designed to enhance the compatibility of vacation rentals with surrounding residential uses. The amendment also provides an opportunity to ensure that vacation rentals will not diminish opportunities for other forms of coastal access and recreation by requiring rentals to provide adequate parking (Coastal Act Sections 30252).

The suggested modifications to the amendment submittal recommended by staff clarify that the development must comply with the same development standards applicable to the construction of a residence. This includes compliance with all applicable performance standards established by the LCP to protect coastal resources. Such a modification is needed to regulate the type, location, and density of Residential Vacation Rentals in accordance with Chapter 3 of the Coastal Act and the coastal resource protection provisions of the LCP.

Another suggested modification recommended by staff relocates a standard regarding the allowable frequency of such rentals from the proposed definition of a Residential Vacation Rental to the ordinance regulating this use. This is intended to differentiate the definition of Residential Vacation Rentals from the range of standards with which this use must comply. This modification also maintains consistency with the way in which other land uses are defined and regulated by the LCP.

Finally, the suggested modifications build on the submittal's requirement that applications to establish Residential Vacation Rental units be accompanied by evidence that water and sewer service providers have been informed of the proposed use of a residence as a vacation rental. Specifically, the suggested modification requires that the application be accompanied by evidence that the service providers have confirmed that there is adequate capacity to serve the proposed use, in accordance with Coastal Act Section 30250 and related standards of the LCP.

With these modifications, the proposed amendments to the San Luis Obispo certified Land Use Plan is consistent with Chapter 3 of the Coastal Act, and the proposed amendments to the certified Implementation Program are adequate to carry out the certified Land Use Plan.

ANALYSIS CRITERIA

The relationship between the Coastal Act and a local government's Local Coastal Program can be described as a three-tiered hierarchy with the Coastal Act setting generally broad statewide policies. The Land Use Plan (LUP) portion of the LCP incorporates and refines Coastal Act policies for the local jurisdiction, giving guidance as to the kinds, locations, and intensities of coastal development. The Implementation Program (IP), or zoning portion of an LCP typically sets forth zone districts and site



regulations which are the final refinement specifying how coastal development is to proceed on a particular parcel. The IP must be consistent with, and adequate to carry out, the policies of the LUP. The LUP must be consistent with the Coastal Act.

In this case, the proposed LCP Amendment affects both the LUP and IP components of the San Luis Obispo County LCP. The proposed definition of a Residential Vacation Rental, and the specification of which land use designations Residential Vacation Units are allowed, will be incorporated within the LUP, and must conform to the Coastal Act. The standard of review for the proposed Vacation Rental Ordinance is whether it is consistent with, and adequate to carry out the LUP.

ADDITIONAL INFORMATION

For further information about this report or the amendment process, please contact Steve Monowitz, Coastal Program Analyst, at the Central Coast District Office of the Coastal Commission, 725 Front Street, Suite 300, Santa Cruz, CA 95060; telephone number (831) 427-4863.

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EXHIBITS

1. Regional Location Map
2. Amendment Submittal
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I. STAFF RECOMMENDATION

A. DENIAL OF LAND USE PLAN AMENDMENT NO. 1-01, PART A, AS SUBMITTED

MOTION: *I move that the Commission certify Land Use Plan Amendment 1-01 Part A as submitted by San Luis Obispo County.*

STAFF RECOMMENDATION TO DENY:

Staff recommends a **NO** vote. Failure of this motion will result in denial of the amendment as submitted and adoption of the following resolution and findings. The motion passes only by an affirmative vote of a majority of the appointed Commissioners.

RESOLUTION TO DENY:

The Commission hereby denies certification of the Land Use Plan Amendment 1-01, Part A as submitted by *San Luis Obispo County* and adopts the findings set forth below on the grounds that the amendment does not conform with the policies of Chapter 3 of the Coastal Act. Certification of the Land Use Plan amendment would not comply with the California Environmental Quality Act because there are feasible alternatives or mitigation measures which could substantially lessen any significant adverse impact which the Land Use Plan Amendment may have on the environment.

B. APPROVAL OF LAND USE PLAN AMENDMENT NO. 1-01, PART A, IF MODIFIED AS SUGGESTED

MOTION: *I move that the Commission certify Land Use Plan Amendment 1-01 Part A for San Luis Obispo County if it is modified as suggested in this staff report.*

STAFF RECOMMENDATION TO CERTIFY WITH SUGGESTED MODIFICATIONS:

Staff recommends a **YES** vote. Passage of the motion will result in the certification of the land use plan amendment with suggested modifications and adoption of the following resolution and findings. The motion to certify with suggested modifications passes only upon an affirmative vote of the majority of the appointed Commissioners.

RESOLUTION TO CERTIFY WITH SUGGESTED MODIFICATIONS:

The Commission hereby certifies the Land Use Plan Amendment 1-01 Part A for San Luis Obispo County if modified as suggested and adopts the findings set forth below on the grounds that the Land Use Plan amendment with suggested modifications will meet the requirements of and be in conformity with the policies of Chapter 3 of the Coastal Act. Certification of the land use plan amendment if modified as suggested complies with the California Environmental Quality Act because either 1)



feasible mitigation measures and/or alternatives have been incorporated to substantially lessen any significant adverse effects of the plan on the environment, or 2) there are no further feasible alternatives or mitigation measures that would substantially lessen any significant adverse impacts which the Land Use Plan Amendment may have on the environment.

C. DENIAL OF IMPLEMENTATION PROGRAM AMENDMENT NO. 1-01, PART A, AS SUBMITTED

MOTION: *I move that the Commission reject Implementation Program Amendment No. 1-01 Part A for San Luis Obispo County as submitted.*

STAFF RECOMMENDATION OF REJECTION:

Staff recommends a YES vote. Passage of this motion will result in rejection of Implementation Program amendment and the adoption of the following resolution and findings. The motion passes only by an affirmative vote of a majority of the Commissioners present.

RESOLUTION TO DENY CERTIFICATION OF THE IMPLEMENTATION PROGRAM AS SUBMITTED:

The Commission hereby denies certification of the Implementation Program Amendment No. 1-01 Part A for San Luis Obispo County and adopts the findings set forth below on grounds that the Implementation Program as submitted does not meet the requirements of and is not in conformity with the policies of Chapter 3 of the Coastal Act. Certification of the Implementation Program would not meet the requirements of the California Environmental Quality Act as there are feasible alternatives and mitigation measures that would substantially lessen the significant adverse impacts on the environment that will result from certification of the Implementation Program as submitted.

D. APPROVAL OF IMPLEMENTATION PLAN AMENDMENT NO. 1-01 PART A IF MODIFIED AS SUGGESTED

MOTION: *I move that the Commission certify Implementation Program Amendment No. 1-01 Part A for San Luis Obispo County if it is modified as suggested in this staff report.*

STAFF RECOMMENDATION:

Staff recommends a YES vote. Passage of this motion will result in certification of the Implementation Program amendment with suggested modifications and the adoption of the following resolution and findings. The motion passes only by an affirmative vote of a majority of the Commissioners present.



RESOLUTION TO CERTIFY THE IMPLEMENTATION PROGRAM AMENDMENT WITH SUGGESTED MODIFICATIONS:

The Commission hereby certifies Implementation Program Amendment No. 1-01 Part A for San Luis Obispo County if modified as suggested and adopts the findings set forth below on grounds that the Implementation Program with the suggested modifications will meet the requirements of and be in conformity with the policies of Chapter 3 of the Coastal Act. Certification of the Implementation Program if modified as suggested complies with the California Environmental Quality Act, because either 1) feasible mitigation measures and/or alternatives have been incorporated to substantially lessen any significant adverse effects of the Implementation Program on the environment, or 2) there are no further feasible alternatives and mitigation measures that would substantially lessen any significant adverse impacts on the environment.

II. SUGGESTED MODIFICATIONS

The amendment submittal is attached to this report as Exhibit 2. The suggested modifications (below) indicate additions to the amendment submittal with underlines, and deletions with ~~strikethroughs~~.

A. Suggested Modifications to the LUP Amendments

Suggested modification to the proposed definition of Residential Vacation Rental:

~~The use of residential property where~~ A Residential Vacation Rental is the use of an existing residence, or a new residential structure that has been constructed in conformance with all LCP standards applicable to residential development, is rented as a rental for transient use. Rental shall not exceed one individual tenancy within seven consecutive calendar days. This definition does not include the one time rental of a residence for 14 consecutive days or less in any calendar year;; “Bed and Breakfast Facilities”, “Homestays”, and Hotels, Motels” which are defined separately; and rooming and boarding houses (included under “Multi-Family Dwellings”) or rental of an entire structure for 30 days or longer.

B. Suggested Modifications to the IP Amendments

Suggested modification to proposed Ordinance 23.08.165, attached to this report as Exhibit 2 (additions shown by underlines, deletions by ~~strikethroughs~~):

23.08.165 – Residential Vacation Rental. The development of a new structure intended for use as a Residential Vacation Rental shall comply with all LCP standards applicable to the construction of a residence within the land use designation that the Residential Vacation Rental is proposed. Rental shall not exceed one individual tenancy within seven consecutive calendar days. In addition, within the Cambria and Cayucos urban reserve lines, ~~The use of residential property~~



as a vacation rental shall comply with the following standards ~~within the Cambria and Cayucos urban reserve lines:~~

...

- b. Permit Requirements. Zoning Clearance, Business License and Transient Occupancy Tax Registration for each residential vacation rental. Where water or sewage disposal is provided by a community system, evidence shall be submitted with the application for Zoning Clearance to show that the service provider(s) has been informed of the proposed use of the property as a vacation rental, and has confirmed that there is adequate service capacity available to accommodate this use.

...

III. RECOMMENDED FINDINGS

A. LCP Background

The San Luis Obispo County certified LCP is composed of seven parts: the Coastal Zone Land Use Ordinances, which is the Implementation Plan (IP) portion of the LCP; the Framework for Planning, the Coastal Plan Policies, and four area plans, which make up the Land Use Plan (LUP). The Commission approved the LUP with modifications on October 4, 1982, and the IP was approved as submitted on October 7, 1986. The County assumed permit-issuing authority on March 1, 1988. Currently, the LCP does not include standards for residential vacation rentals.

B. Amendment Background and Description

The amendment proposes standards for the use of residences as vacation rentals intended to improve their compatibility with surrounding residential uses. The amendment was developed in response to concerns expressed by residents regarding the impact of vacation rental on coastal residential communities. According to the County, concerns about the impacts of residential vacation rentals have been limited to the communities of Cambria and Cayucos. Thus, most of the proposed standards for rental of residences as vacation units are applicable only within the urban reserve lines of Cambria and Cayucos. The County has indicated its intention to consider the expansion of these standards, via future LCP amendments, in the event that residential vacation rentals become an issue in other coastal communities.

Within the certified LUP, the amendment proposes to identify Residential Vacation Rentals as a specific type of land use, and allow Residential Vacation Rentals as a special (i.e., conditional) use within all land use designations except the Commercial Service, Industrial, Public Facility and Open Space designations. The only standards regarding the Residential Vacation Rental land use contained in



the LUP portion of the amendment prohibits any such rental, regardless of location, to exceed one individual tenancy within seven consecutive calendar days. This standard is found in the proposed definition for Residential Vacation Rentals, which states:

The use of residential property where a residence is rented for transient use. Rental shall not exceed one individual tenancy within seven consecutive calendar days. This definition does not include the one time rental of a residence for 14 consecutive days or less in any calendar year, "Bed and Breakfast Facilities, "Homestays", and Hotels, Motels" which are defined separately; and rooming and boarding houses (included under "Multi-Family Dwellings") or rental of an entire structure for 30 days or longer.

All of the other proposed standards for Residential Vacation Rentals are to be located in the Coastal Zone Land Use Ordinance (CZLUO) component of the certified IP, and would be applicable only within the Urban reserve Lines of Cambria and Cayucos. The proposed ordinance (CZLUO Section 23.08.165) identifies permit requirements, limits the frequency and occupancy of vacation rentals, and establishes standards regarding the appearance, operation, and management of such units.

In terms of permit requirements, the proposed ordinance calls for Zoning Clearance, Business License and Transient Occupancy Tax Registration for each residential vacation rental. Zoning Clearance represents verification by the San Luis Obispo County Department of Planning and Building that certain proposed uses of existing buildings and other activities are in compliance with the LCP. Applications to establish a Residential Vacation Rental must also submit evidence that water and sewer service providers had been informed of the proposed use.

With regard to occupancy, the proposed ordinance establishes a maximum of two persons per bedroom plus two additional persons, and limits the frequency of such rentals to one per seven calendar days. There is a minimum rental period of four days, but the unit is not required to be occupied during the entire four day period.

The other proposed standards for residential vacation are summarized as follows:

- Where a residence is used as a vacation uses, other uses such as home occupations, temporary events, and homestays are prohibited;
- Vacation rentals must not change the residential appearance of the structure;
- On-site signs advertising vacation rentals are prohibited;
- Vehicle use associated with the rental unit must not exceed 10 trips per day;
- Parking for renters must be provided on the site (in the garage and driveway) and on the street frontage of the site;
- Residential Vacation Rentals must comply with the County Noise ordinance. Equipment requiring more than the standards household electrical currents, or that would produce noise, dust, odor, or vibration detrimental to adjoining residences are prohibited;



- A local property manager must be designated and available 24 hours a day to respond to tenant and neighborhood questions or concerns. This information must be posted in a prominent location in the unit and furnished to the County Planning Department, Sheriff stations, and fire agencies. Where the local property manager is unavailable or fails to respond the complaining party is to contact the Sheriff's Department.

In addition to being subject to the Enforcement Section of the CZLUO, the proposed ordinance specifies that violation of the above standards may result in revocation of the Zoning Clearance and Building License for the Residential Vacation Rental.

C. Coastal Act Consistency

The proposed amendment to the certified LUP must conform to the Chapter 3 policies of the Coastal Act. An analysis of the LUP amendment's consistency with the applicable Coastal Act policies is provided below.

1. Coastal Access and Recreation

a. Access and Recreation Policies

Coastal Act Section 30210 states:

In carrying out the requirement of Section 4 of Article X of the California Constitution, maximum access, which shall be conspicuously posted, and recreational opportunities shall be provided for all the people consistent with public safety needs and the need to protect public rights, rights of private property owners, and natural resource areas from overuse.

Coastal Act Section 30213 states, in relevant part:

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

Coastal Act Section 30222 provides:

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

Coastal Act Section 30252 requires:

The location and amount of new development should maintain and enhance public access to the coast by (1) facilitating the provision or extension of transit service, (2) providing commercial facilities within or adjoining residential development or in other areas that



will minimize the use of coastal access roads, (3) providing non-automobile circulation within the development, (4) providing adequate parking facilities or providing substitute means of serving the development with public transportation, (5) assuring the potential for public transit for high intensity uses such as high-rise office buildings, and by (6) assuring that the recreational needs of new residents will not overload nearby coastal recreation areas by correlating the amount of development with local park acquisition and development plans with the provision of onsite recreational facilities to serve the development.

2. Analysis

The above policies protect coastal access and recreation opportunities for the general public, among other ways, by prioritizing the provision of visitor-serving commercial facilities, particularly lower cost facilities, and requiring that new development be accompanied by the planning and infrastructure necessary to protect and enhance existing access and recreation opportunities. Section 30210 recognizes that the provision of maximum access must protect public rights, private property rights, and natural resource areas from overuse.

The opportunity to rent residences within California's coastal communities represents one way in which California residents and visitors enjoy the coast. In some instances, residential vacation rentals may provide a lower cost alternative to renting hotel or motel rooms for large families or groups of individuals. In this context, proposals to regulate the rental of residences to visitors have the potential to conflict with Coastal Act objectives to protect access and recreation opportunities, as well as with the prioritization of visitor-serving commercial facilities established by Section 30222.

In the case of the proposed LUP amendment, the establishment of Residential Vacation Rentals as a special (i.e., conditional) use will not reduce coastal access and recreation opportunities. The designation does not 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 by renting a coastal residence. Rather, the designation of a Residential Vacation Rental as a special use provides an opportunity to regulate Residential Vacation rentals, where necessary, in a manner that protects coastal resources and access and recreation opportunities consistent with the Chapter 3 policies of the Coastal Act. For example, the proposed standards for this special use require that vacation rentals provide adequate parking facilities, which will minimize the impact of vacation rentals on other beach users in accordance with Coastal Act Section 30252.

c. Conclusion

The proposed amendment is consistent with the access and recreation policies of the Coastal Act because it will not reduce the ability of the public to access and recreate on the coast by renting a coastal residence. The proposal to establish Residential Vacation Rentals as an allowable but conditional use provides an appropriate means to ensure that such use will be conducted consistent with the protection of surrounding properties and the coastal environment, in accordance with the Coastal Act.



2. New Development

a. Coastal Act Policies

Section 30250 requires, in relevant part:

(a) New residential, commercial, or industrial development, except as otherwise provided in this division, shall be located within, contiguous with, or in close proximity to, existing developed areas able to accommodate it, or where such areas are not able to accommodate it, in other areas with adequate public services and where it will not have significant adverse effects, either individually or cumulatively, on coastal resources. ...

b. Analysis

The primary means by which LCP's carry out Section 32050 and other Coastal Act resource protection requirements is to establish regulations regarding the allowable type, intensity and location of particular land uses. The submitted LUP amendment proposes to establish Residential Vacation Rentals as an allowable use, but does not include standards regarding the development of such uses necessary to ensure consistency with Coastal Act Section 30250 or other Coastal Act resource protection requirements. For example, the amendment does not identify height and density limits or setback standards that would apply to a proposal to construct Residential Vacation Rental units. Apparently this was an oversight related to the fact that most Residential Vacation Rentals take place within an existing residential development, and therefore do not involve any new construction.

To address this issue, the Suggested Modification to the Land Use Plan amendment revises the definition of Residential Vacation Rentals in a manner that clarifies that this use is limited to the rental of an *existing* residence, or a new residence *constructed in conformance with all LCP standards applicable to residential development*. This modification ensures that the establishment of a Residential Vacation Rental will be carried out in a manner that addresses the coastal resource protection criteria for new development established by Section 30250 and other Chapter 3 policies of the Coastal Act.

c. Conclusion

The amendment must be denied as submitted because the establishment of Residential Vacation Rentals as an independent land use is not accompanied by standards necessary to ensure that the development of this use will take place consistent with Section 30250 and other Chapter 3 policies of the Coastal Act. Therefore, the amendment is suggested to be modified in a manner that applies the same LCP development standards and performance criteria for residential uses to the development of a Residential Vacation Rental. Only with this modification can the amendment be found consistent with Chapter 3 of the Coastal Act.



D. Ability to Carry Out LUP

1. Development Standards for Residential Vacation Rentals

a. LUP Provisions

As detailed above, the submitted amendment lacks the development standards necessary to address the full range of impacts that the construction of a new structure, proposed as a Residential Vacation Rental, may have on coastal resources, such as scenic views and sensitive habitats. Therefore, the LUP amendment must be modified to clarify that such development is subject to the same development and performance standards as the construction of a residence.

b. Analysis

To effectively implement the modified Land Use amendment, a parallel modification must be made to the submitted Implementation Plan amendment. Specifically, the ordinance regulating the establishment of Residential Vacation Rentals must be supplemented with a requirement that the development of a new structure intended for use as a Residential Vacation Rental must comply with all LCP standards applicable to the construction of a residence within the land use designation that the Residential Vacation Rental is proposed.

c. Conclusion

The implementation plan amendment must be denied as submitted because it does not contain adequate standards for the construction of a residential vacation rental to effectively implement the Land Use Plan amendment as modified above. Only with the suggested modification will the implementation plan amendment effectively carry out the certified Land Use Plan.

2. Public Service Capacities

a. LUP Provisions

Coastal Plan Policy 1 for Public Works states:

New development (including the division of land) shall demonstrate that adequate public or private service capacities are available to serve the proposed development. Priority shall be given to infilling within existing subdivided areas. Prior to permitting all new development, a finding shall be made that there are sufficient services to serve the proposed development given the already outstanding commitment to existing lots within the urban service line for which services will be needed consistent with the Resource Management System where applicable. Permitted development outside the USL shall be allowed only if it can be serviced by adequate private on-site water and waste disposal systems.

The applicant shall assume responsibility in accordance with county ordinances or



the rules and regulations of the applicable service district or other providers of services for costs of service extensions or improvements that are required as a result of the project. Lack of proper arrangements for guaranteeing service is grounds for denial of the project or reduction of the density that could otherwise be approved consistent with available resources.

b. Analysis

Both Cambria and Cayucos have limited public service capacities, particularly related to water supplies, that need to be considered when the LCP is amendment to expand the allowable type of land uses. In the case of the proposed amendment, the establishment of Residential Vacation Rentals as a conditional use is not expected to result in increased demands on public services. Short term rentals of residences in these communities have been ongoing. The proposed regulations likely will not increase the amount of vacation rentals that have historically taken place, and therefore will not affect current demands for public services.

Nevertheless, given the significant water constraints faced by both these communities, it is important to ensure that the review procedures for vacation rentals established by the amendment include an evaluation of the availability of essential public services to assure the adequacy of these services. Towards this end, the submitted amendment requires applications to establish vacation rentals to include evidence that water and sewer providers have been informed of the proposed use of the property as a Residential Vacation Rental. This does not, however, provide an effective mechanism to prevent a Residential Vacation Rental from being established in the event that there are not adequate services available. Thus, the suggested modifications require applications to also be accompanied by evidence that the service providers have determined that there are adequate water and sewer capacities available to serve the proposed Residential Vacation Rental.

c. Conclusion

As submitted, the Implementation Plan amendment does not carry out LUP provisions requiring the demonstration of adequate and available public services, and therefore must be denied. Only with the suggested modification that requires applications to establish Residential Vacation Rentals to provide evidence of available public services will the implementation plan amendment effectively carry out the certified LUP.

E. California Environmental Quality Act (CEQA)

The Secretary of Resources has certified the Coastal Commission's review and development process for Local Coastal Programs and amendments as being the functional equivalent of the environmental review required by CEQA. Therefore, local governments are not required to undertake environmental analysis on LCP amendments, although the Commission can and does use any environmental information that the local government has developed. In this case the County approved a Negative declaration for the LCP amendment. Staff has used this information in the analysis of the amendment submittal, and has identified additional measures that need to be incorporated into the amendment in



order to avoid adverse environmental impacts. These measures are embodied in the suggested modifications to the County's amendment submittal. With these changes, approval of the amendment complies with the California Environmental Quality Act because as modified, the amendment will not have significant environmental effects for which feasible alternatives or mitigation measures have not been employed.



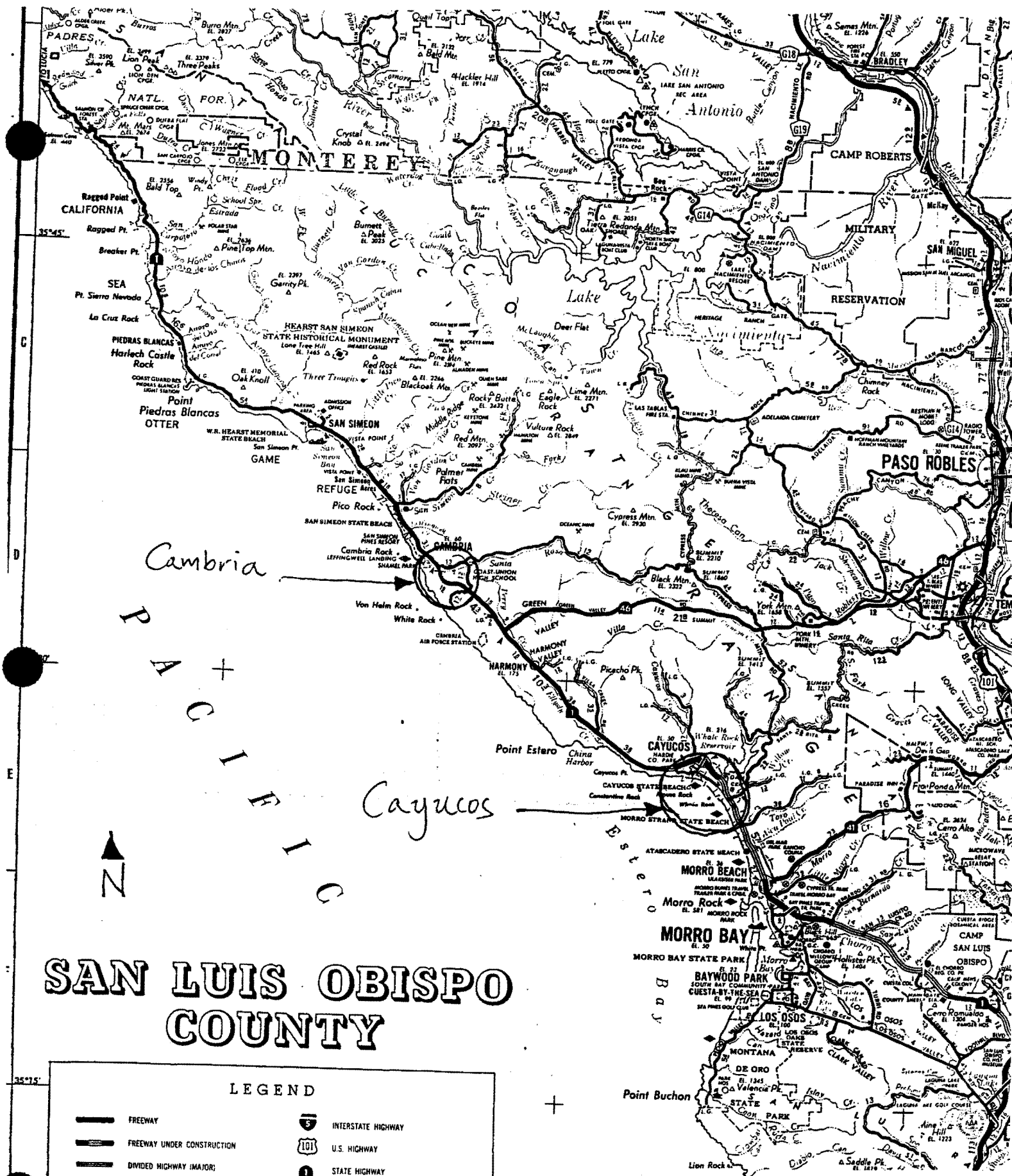


EXHIBIT NO. 1

APPLICATION NO.
SLO UCPA 1-01 Part A

Regional Location
Maps

Copy

EXHIBIT G990004L:C

As recommended by the Board action 2/16/01

1. **Revise Chapter 6, Coastal Zone Framework for Planning - Part I of the Land Use Element/Local Coastal Plan of the County of San Luis Obispo General Plan, Page 6-34, Coastal Table O as follows:**

Residential Uses - Add Residential Vacation Rental as a "S-8" to the same land use categories where Single Family Dwellings are an allowed or special use.

	AG prime	AG non- prime	RL	REC	RR	RS	RSF	RMF	O&P	CR	CS	IND	PF	OS
Residential Vacation Rental	S-8	S-8	S-8	S-8	S-8	S-8	S-8	S-8	S-8	S-8				

2. **Revise Chapter 6, Coastal Zone Framework for Planning - Part I of the Land Use Element/Local Coastal Plan of the County of San Luis Obispo General Plan, Land Use Definitions as follows:**

Bed and Breakfast Facilities [I1]

Residential structures with one family in permanent residence where bedrooms without individual cooking facilities are rented for overnight lodging, where meals may be provided subject to applicable county Health Department regulations. Does not include "Homestays", "Hotels, Motels", and "Residential Vacation Rentals" which are defined separately; rooming and boarding houses (included under "Multi-Family Dwellings"); or the rental of an entire residence for more than 30 days .

Homestays [I5]

Residential structures in Residential Single Family and Residential Suburban neighborhoods with a family in permanent residence where no more than two bedrooms without cooking facilities are rented for overnight lodging. Does not include provision of meals. This definition does not include "Bed and Breakfast Facilities", "Hotels, Motels", and "Residential Vacation Rentals" which are defined separately; rooming and boarding houses (included under "Multi-Family Dwellings"); or rental of an entire structure for more than 30 days .

Residential Vacation Rental [E14]

The use of residential property where a residence is rented for transient use. Rental shall not exceed one individual tenancy within seven consecutive calendar days. This definition does not include the one time rental of a residence for 14 consecutive days or less in any calendar year, "Bed & Breakfast Facilities", "Homestays", and "Hotel, Motels" which are defined separately; and rooming and boarding houses (included under "Multi-Family Dwellings") or rental of an entire structure for 30 days or longer.

EXHIBIT NO. 2, p.1
APPLICATION NO. SLO LCPA 1-01 Part A
Submitted

EXHIBIT G990004L:D
As recommended by Board action 2/16/01

ORDINANCE NO. 2933

AN ORDINANCE AMENDING TITLE 23 OF THE
SAN LUIS OBISPO COUNTY CODE, THE COASTAL ZONE LAND USE ORDINANCE
CHAPTER 23.08 RELATING TO RESIDENTIAL VACATION RENTALS

The Board of Supervisors of the County of San Luis Obispo ordains as follows:

SECTION 1. Chapter 23.08 of the Coastal Zone Land Use Ordinance, Title 23 of the San Luis Obispo County Code, is hereby amended by adding new Section 23.08.165 to read as follows:

23.08.165 - Residential Vacation Rental. The use of residential property as a vacation rental shall comply with the following standards within the Cambria and Cayucos urban reserve lines:

- a. Purpose. The purpose of this subsection is to establish a set of regulations applicable to residential vacation rentals. These regulations are in addition to all other provisions of this Title. In the adoption of these standards the Board of Supervisors find that residential vacation rentals have the potential to be incompatible with surrounding residential uses, especially when several are concentrated in the same area, thereby having the potential for a deleterious effect on the adjacent full time residents. Special regulation of these uses is necessary to ensure that they will be compatible with surrounding residential uses and will not act to harm and alter the neighborhoods they are located within.
- b. Permit requirements. Zoning Clearance, Business License and Transient Occupancy Tax Registration for each residential vacation rental. Where water or sewage disposal is provided by a community system, evidence shall be submitted with the application for Zoning Clearance to show that the service provider(s) has been informed of the proposed use of the property as a vacation rental.
- c. Vacation rental tenancy. Rental of a residence shall not exceed one individual tenancy within seven consecutive calendar days. A four day minimum rental is required, however, occupancy of the residence is not required to occur for the entire time period. No additional occupancy (with the exception of the property owner) shall occur within that seven day period. A residential vacation rental shall only be used for the purposes of occupancy as a vacation rental or as a full time occupied unit. No other use (i.e.: home occupation, temporary event, homestay) shall be allowed on the site.
- d. Number of occupants allowed. The maximum number of occupants allowed in an individual residential vacation rental shall be two persons per bedroom plus two additional persons. The Zoning Clearance shall specify the maximum number of occupants allowed in each individual vacation rental.

- e. Appearance, visibility and location. The residential vacation rental is not to change the residential character of the outside appearance of the building, either by the use of colors, materials, lighting, ; or by the construction of accessory structures or garages visible from off-site and not of the same architectural character as the residence; or by the emission of noise, glare, flashing lights, vibrations or odors not commonly experienced in residential areas.
- f. Signs. Availability of the rental unit to the public shall not be advertised on site.
- g. Parking and traffic. Vehicles used and traffic generated by the residential vacation rental shall not exceed the type of vehicles or traffic volume normally generated by a home occupied by a full time resident in a residential neighborhood. For purposes of this section, normal residential traffic volume means up to 10 trips per day. All parking shall occur in the garage, driveway and/or street frontage of the site. The conduct of the residential vacation rental shall not preclude the use of the garage for guest vehicle parking on a daily basis.
- h. Noise. All residential vacation rentals shall comply with the standards of Section 23.06.040 et seq. (Noise Standards). No residential vacation rental is to involve on-site use of equipment requiring more than standard household electrical current at 110 or 220 volts or that produces noise, dust, odor or vibration detrimental to occupants of adjoining dwellings.
- i. Local contact person. All residential vacation rentals shall designate a local property manager. The local property manager shall be available 24 hours a day to respond to tenant and neighborhood questions or concerns. Where a property owner lives within the same community as the residential vacation rental, the property owner may designate themselves as the local contact person. All the requirements enumerated in this section shall continue to apply.
 - (1) The name, address and telephone number(s) of the local contact person shall be submitted to the Department of Planning and Building, the local Sheriff Substation, the main county Sheriff's Office, the local fire agency and supplied to the property owners within a 300 foot radius. The name, address and telephone number(s) of the local contact person shall be permanently posted in the rental unit in a prominent location(s). Any change in the local contact person's address or telephone number shall be promptly furnished to the agencies and neighboring property owners as specified in this subsection.
 - (2) If the local contact person is unavailable or fails to respond, the complaining party may contact the Sheriff's Office. The Sheriff will attempt to reach the local contact person. In cases where the Sheriff was unable to reach the local contact person, the penalties as set forth in Subsection 1 shall apply.
- j. Transient Occupancy Tax. Each residential vacation rental unit shall meet the regulations and standards set forth in Chapter 3.08 of the County Code, including any required payment of transient occupancy tax for each residential vacation rental unit.

SLO LCPA 1-01 Part A
Exhibit 2, p. 3

- k. Effect on existing residential vacation rentals. Each individual vacation rental in existence on the effective date of this section (effective date, 20____) shall be subject to a Zoning Clearance, Business License, Transient Occupancy Tax Registration, and all standards set forth in this Section. Zoning Clearance, Business License, and Transient Occupancy Tax Registration, shall be requested from the county within 120 days of the effective date specified above. If the Zoning Clearance, Business License, and Transient Occupancy Tax Registration, have not been requested within the time frames set forth in this section, the penalties of Chapter 22.10 (Enforcement) of this Title shall apply.
- l. Violation - vacation rental. It is unlawful for any person to use or allow the use of property in violation of the provisions of this section. The penalties for violation of this section are set forth in Chapter 23.10 of this Title (Enforcement). Additional penalties for violation of this section may include revocation of the Zoning Clearance and Business License. If a local contact person is not able to be reached by the Sheriff more than three times in any consecutive six month period, this shall be grounds for revocation of the Business License consistent with Title 6 of the County Code.

SECTION 2. That the Board of Supervisors has considered the initial study prepared and conducted with respect to the matter described above. The Board of Supervisors has, as a result of its consideration, and the evidence presented at the hearings on said matter, determined that the proposed negative declaration as heretofore prepared and filed as a result of the said initial study, is appropriate, and has been prepared and is hereby approved in accordance with the California Environmental Quality Act and the County's regulations implementing said Act. The Board of Supervisors, in adopting this ordinance, has taken into account and reviewed and considered the information contained in the negative declaration approved for this project and all comments that were received during the public hearing process. On the basis of the Initial Study and any comments received, there is no substantial evidence that the adoption of this ordinance will have a significant effect on the environment.

SECTION 3. If any section, subsection, clause, phrase or portion of this ordinance is for any reason held to be invalid or unconstitutional by the decision of a court of competent jurisdiction, such decision shall not affect the validity or constitutionality of the remaining portion of this ordinance. The Board of Supervisors hereby declares that it would have passed this ordinance and each section, subsection, clause, phrase or portion thereof irrespective of the fact that any one or more sections, subsections, sentences, clauses, phrases or portions be declared invalid or unconstitutional.

SECTION 4. This ordinance shall become operative only upon approval without any modifications by the California Coastal Commission and upon acknowledgment by the San Luis Obispo County Board of Supervisors of receipt of the Commission's resolution of certification.

SECTION 5. This ordinance shall take effect and be in full force on and after 30 days from the date of its passage hereof. Before the expiration of 15 days after the adoption of this ordinance, it shall be published once in a newspaper of general circulation published in the County of San Luis Obispo, State of California, together with the names of the members of the Board of Supervisors voting for and against the ordinance.

SLO LCPA 1-01 Part A
Exhibit 2, p. 4

INTRODUCED at a regular meeting of the Board of Supervisors held on the 16th day of January, 2001, and PASSED AND ADOPTED by the Board of Supervisors of the County of San Luis Obispo, State of California, on the 6th day of February, 2001, by the following roll call vote, to wit:

AYES: Supervisors Shirley Bianchi, Peg Pinard, Chairperson K.H. "Katcho" Achadjian

NOES: Supervisors Harry L. Ovitt, Michael P. Ryan

ABSENT: None

ABSTAINING: None

K.H. ACHADJIAN

Chairman of the Board of Supervisors,
County of San Luis Obispo,
State of California

ATTEST:

JULIE L. RODEWALD
County Clerk and Ex-Officio Clerk
of the Board of Supervisors
County of San Luis Obispo, State of California

BY: CHERIE AISPURO Deputy Clerk
[SEAL]

ORDINANCE CODE PROVISIONS APPROVED
AS TO FORM AND CODIFICATION:

JAMES B. LINDHOLM, JR.
County Counsel

By: [Signature]
Deputy County Counsel

Dated: 1-21-01

SLO LCPA 1-01 Part A
Exhibit 2, P. 5

Central Coast Management Association

225 S. Ocean Avenue, Cayucos, CA 93430

Steve Monowitz
California Coastal Commission
Central Coast District Office
725 Front Street, Ste 300
Santa Cruz, CA 95060

Subject: Local Coastal Program Amendment 1-01

August 21, 2001

Dear Steve,

On February 6th, 2001 the Board of Supervisors passed Ordinance 2933, to amend Title 23 of the San Luis Obispo County Code, the Coastal Zone Land Use Ordinance Chapter 23.08 relating to residential vacation rentals. This Ordinance establishes an array of regulations focusing on the operation of vacation rentals. These standards are intended to minimize the potential impact that vacation rentals might exert on residential neighborhoods and their full time residents. Application of the Ordinance is limited to the communities of Cayucos and Cambria, but is set for review 24 months from the Board of Supervisor's acknowledgment of Coastal Commission resolution of certification.

Vacation use of residential property by owners, their families and friends has an extremely long history in Cayucos and Cambria. Vacation rental of residential property has almost as much heritage and represents a slight variation on the theme of use by those who are not full time residents.

Professional property management entered the picture in the early 1970's and now handles the vast majority of the vacation rentals. The Central Coast Management Association formed in 1996 and represents 8 member companies that manage over 320 vacation rentals are scattered throughout Cayucos and Cambria.

The availability of vacation rentals within residential areas of small coastal communities reduces the demand for large visitor serving lodging developments that are often viewed as inconsistent with the scale and character of these communities. The present demand for lodging outstrips supply in all but the slowest times of the year. A combination of motels and vacation rentals offers a diversity of opportunities for a broad spectrum of visitors, especially families, to access and enjoy the coast.

County sponsored workshops, Planning Commission hearings and Board

EXHIBIT NO. 3, p.1
APPLICATION NO. SLO LCPA 1-01 Part A
Correspondence

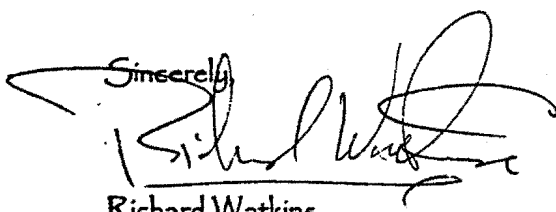
Supervisors' meetings offered numerous opportunities for the public to express their view and concerns. Despite the duration of the dialogue content of the arguments and key personalities remained static. Not unexpectedly, none of the participants in this lengthy process is totally satisfied with the results. However the Ordinance does achieve a degree of balance that should minimize land use conflicts. The Central Coast Management Association member companies intend to diligently adhere to the regulations and assess their impact on the vacation rental business and the residential neighborhoods.

The Ordinance addresses community concerns, including a requirement for permitting (zoning clearance, Business License and TOT Registration) that promises to discourage owner-managed rentals and should provide the kind of quality GIS data needed to better answer questions related to the number density and distribution of vacation rentals. Other sections of the document deal with tenancy limitations, number of occupants allowed per rental, appearance, signage, parking and noise. A local contact person available 24 hours a day is also required.

We have enclosed several items that may be of interest to you. They include an article in the New Times, an insert of the 24 hour complaint hotline, in operation since summer of 2000 and a typical brochure from a member Central Coast Management Association company. As you know, June and July are the busiest months for the vacation rental business and our association received only a few complaints during those months this year.

On a procedural note, it is our interest as an association, to have your Commission consider approval of the proposed amendment at the earliest possible time. It is our sincere hope that this could take place at the October meeting in San Diego. We have been participating in the review and approval of the proposed ordinance for several years now and are anxious to focus solely on the quality management of vacation rentals.

Sincerely,


Richard Watkins
President

* enclosures available at Coastal Commission hearing
and upon request of Commission staff

SLO LCPA 1-01 part A
Exhibit 3, p. 2

Coastal Commission Land Use Element Review, SLO North Coast Area

Coastal access for moderate income long term renters has been negatively affected by the increase of vacation rentals in the San Luis Obispo North Coast residential areas. Particularly Cayucos has been demonstrably impacted by the prevalence of vacation rentals. Also in Cambria is the availability of affordable long term rentals scarce, and residential neighborhoods are experiencing the negative consequences from transient rentals.

Real estate agents and home rental operators have publicly proclaimed that coastal access is advanced by the dedication of residential housing to Transient Rental use. The residents, in a large scale protest action to the San Luis Obispo Planning Department, have forcefully objected to the ever ongoing commercial intrusion into their neighborhoods. They respectfully submit that providing commercial investment opportunities to out-of-town owners is not consistent with the Coastal Act policies. Converting existing long term rentals into transient rentals, and aiming new building sales at transient rentals, substantially limits long term renters to live in the coastal zone.

State Zoning Law statutes for residential neighborhoods (Carmel-by-the Sea, H007702, Oct. 1991) hold that "the maintenance of the character of residential neighborhoods is a proper purpose of zoning, and such character is threatened when a significant number of homes are occupied not by permanent residents but by a stream of tenants staying a short time". The court also held that banning vacation rentals does not violate homeowners substantive due process and equal protection rights. For Cayucos, the character of the residential neighborhoods has already been changed by threatening the viability of local public schools. New signups are steadily going down because of long term rental conversions, forcing residents to leave town.

The 1997/98 San Luis Obispo County Grand Jury Report on vacation rentals, which was initiated due to complaints about non-enforcement of regulations, stipulated the needed impact control for residents from vacation rentals. The report also specified County commitment to public comment from the residents. Petitions by 552 residents of Cambria and Cayucos, subsequent to the Grand Jury Report, in a 5 to 1 majority position requested adherence to this report and detailed petition items. Besides further regulations, the report affirmed strict enforcement of the established 7 consecutive day stay limits.

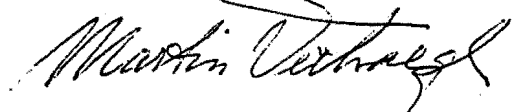
We respectfully request that the Land Use Element review, which the Coastal Commission staff is currently engaged in, follows State Zoning laws for Transient Rentals in residential areas. Also adherence to stipulations in the noted Grand Jury Report regarding enforcement, stay limits, geographic rental distribution, number of rentals per month, and other specified resident relief. One group of petitioning residents, unfairly affected by the vacation rental spread and non-regulated operation, are the motel owners. In this respect, we also request that the Land Use policies place the overwhelming majority of transient rental lodgings in commercially zoned districts.

In view of the foregoing and on behalf of the 552 petitioners, I implore the Coastal Commission staff to establish Land Use policies in the County of San Luis Obispo, which comply with established legal tenets and majority public comment petition response.

Martin Verhaegh
551 Dorset Street
Cambria, CA 93428

Sincerely,
Martin Verhaegh

SLO LCRA 1-01 A
Ex. 3, p. 3



Attachments: 1997/98 San Luis Obispo Grand Jury Report on Vacation Rentals.
H007702, 1991, Ewing vs City of Carmel-by-the-Sea.
available at hearing and upon request of Commission staff

California Coastal Commission.

Cambria, 4-16-01

Sara Wan, Chair.

cc: Commission Staff, Central Coast Office,
725 Front Street, Suite 300, Santa Cruz, CA 95060-4508.
Charles Lester, Director. Tammy Grove, Deputy Director

Subject: Appeal to deny approval, and to amend the County of San Luis Obispo Coastal Land Use Ordinance on Vacation Rentals in Cayucos and Cambria.

Coastal Zone Land Use Ordinance, Chapter 23.04, Residential Vacation Rentals.

Handed to Commission Staff on 3-28-01, per Kami Griffin, SLO County Staff.

Madam Chair,

The subject vacation ordinance submitted to you by the County of San Luis Obispo is substantially flawed on both legal and ethical grounds. The five year ordinance formulation process was purposely delayed to bludgeon and wear out the resolve of residents in Cayucos and Cambria. The land use ordinance is the result of a complaint to the San Luis Obispo Grand Jury, followed up by signed petitions of more than 552 residents in the two communities. Appellate court State Zoning Law adjudication governs the imposition of Transient Rentals in Residential Neighborhoods.

I have been at the forefront of the campaign for a just and legal ordinance, and communicate to you on behalf of the large number of resident petitioners. When this action started, the original county ordinance defined minimum rental stays of seven consecutive days. This would have been acceptable if the county had enforced the seven day rental stays, and also the required Transient Occupancy Tax administration and collection. Instead, vacation rentals are allowed to be operated like motels in our neighborhoods, without any county oversight. Proliferation of rentals has resulted, causing unlawful deterioration of the Residential Character of our Neighborhoods. During the entire ordinance amendment process period, no county enforcement took place.

We are pleading with you to reign in the unlawful, unfair and unethical actions of the County of San Luis Obispo. In spite of a continuous effort to comply with underlying legal instruments, the ordinance before you contains unacceptable language, making it unenforceable. The video record submitted hereby contains the admittance by Supervisor Ryan that the ordinance as written is not enforceable, and rentals as short as one day will take place.

The residents very reluctantly have accepted the minimum four day stays if they are enforceable, and would be assuredly enforced by the county. Limiting the number of rentals per community to those on record with the County Tax Collector upon enactment of the ordinance is essential to meet State Zoning Law adjudication and Grand Jury defined impact relief. The displacement of Affordable Long Term Rentals by Transient Rentals is becoming an ever increasing problem in the Coastal Zone (please note the recent protest action in Pismo Beach). Also the local North Coast Advisory Councils, empowered to advance majority community positions to the County, agree with the petitioning residents on these matters.

The Explanatory and Background Information submitted herewith for your inspection summarizes the actions and position of the petitioners. Any further information needed will be forwarded upon request. Please return the subject ordinance to the county for amendment, including the three amendment items noted on page 3 of this letter. In view of the long delays experienced, the residents would appreciate an expedited response.

On behalf of the many resident petitioners of Cayucos and Cambria, sincerely,

Martin Verhaegh

Martin Verhaegh

551 Dorset Street

Cambria, CA 93428, phone: (805) 927-5792

SLO LCPA
Part
Ex. 3,
P. 4

Explanatory and Background Information.

The subject coastal ordinance was initiated as the result of residents complaints to the San Luis Obispo Grand Jury in 1997. The complaints referred to illegal Land Use exploitation of Vacation Rentals, and State Zoning law violations with respect to Transient Rentals in Residentially Zoned Neighborhoods. The stated purpose of the ordinance, and the legal restraints imposed on it, are not met by the provisions contained in the submitted ordinance amendments.

The complaints were addressed by the 1997/1998 San Luis Obispo Grand Jury Report. This report directed ordinance amendments and full reponse to the received public comment, assuring impact relief for permanent residents in their neighborhoods. The local North Coast Advisory Councils in Cayucos and Cambria supported signed petitions from more than 552 residents. Despite overwhelming public comment for compliance with the Grand Jury Report and State Zoning Law adjudication, San Luis Obispo County removed essential impact relief from the ordinance amendments.

The unduly delayed five year long County ordinance process allowed unimpeded proliferation of vacation rentals in our residential communities, estimated to number more than 400 at this time. During those five years, the stay limit provision was violated continuously, causing unenforced motel-mode rentals in our residential neighborhoods. The ordinance amendments by the county approved shorter minimum rental stays of four days. The minimum rental stay is an important impact relief factor for the residents to void the motel-mode operation, as noted in the Grand Jury Report.

The Grand Jury Report, in remedial action to verified complaints, stipulated the requirement for clear ordinance language to ensure enforceability. The County reduced the minimum rental stay period from seven to four days, dismissing Grand Jury directions and majority public comment petitions. New ordinance language was then added, stating that the renters are not required to stay the full four day period. The requested full rental rate provision is also omitted in the ordinance. This makes the ordinance unenforceable, assuring that rentals will operate like motels, with stays as short as one day. The very condition that the Grand Jury directed to eliminate. Owners and friends of the owners can stay all remainder periods, adding further uncontrolled lodgings in residential neighborhoods.

During the 2-6-01 final Board of Supervisors ordinance meeting, which is video recorded, Planning Staff was asked the question: "Was the purpose of vacation rentals to create one or two day stay lodgings?". Answer: "No, the purpose was to attract a different clientele than would normally stay in a motel. Folks who wanted to stay for longer periods of time".

During this and earlier meetings, the resident petitioners pointed out the ambiguous ordinance language on rental stays. Specifically that the ordinance would be unenforceable with language including stay period exceptions and full rental rate variations. Stay limit exception language, aimed at incidental early guest departure is ambiguous, and does not belong in the ordinance. No action was taken to properly address ordinance enforceability. Supervisor Mike Ryan during this meeting encouraged rental operators to manipulate rental rates to match stay periods. In spite of overwhelming public comment to the contrary, obviously interpretative language is used to purposely make the ordinance unenforceable.

Staff also noted in 2-6-01 meeting: "The rental contract must spell out the ordinance stay period, which must be enforced". If rental rate manipulation is allowed, this enforcement measure will be voided. This in addition to the rental stay exception provision. Please note that the 1-9-98 residents' petition list clearly identified these two critical required ordinance language provisions. This to avoid the noted enforceability pitfalls and assure foolproof ordinance language (see exhibit D).

State Zoning Law clearly requires the Maintenance of the Character of Residential Neighborhoods when exposed to Transient Rentals. The Grand Jury report noted the appellate court adjudication case, alerting the County to this requirement. The majority position petitioning residents, and the North Coast Advisory Council, for that reason requested that the total allowed number of rental residences be limited. The limit would be the number on record with the County upon enactment of the amended ordinance.

Other coastal communities have limited the number of vacation rentals, e.g.: Santa Barbara, Carmel, Pacific Grove and Monterey. Another impact relieving measure requested by these bodies is the geographic distribution of rentals. Limiting and distributing vacation rentals is essential for compliance with the Grand Jury stipulations and State Law: impact relief and to maintain the character of residential neighborhoods.

The residents' complaint that County Code Enforcement is inadequate was recognized in the Grand Jury Report, but was not addressed in the ordinance. At one time during the ordinance process, our District #2 Planning Commission member had to recuse herself due to a conflict of interest: residing near a vacation rental. No case is made of the fact that the County of San Luis Obispo has a conflict of interest in crafting a vacation rental ordinance. Maximize the income from Transient Occupancy Taxes through non-enforceable ordinances, combined with token enforcement spending. Sufficient dedicated County Code Enforcement Officers must be assigned. The County is responsible for vigorous code enforcement, and has the option to raise fees for enforcement funding.

Licensing of a Residential Residence as a Commercial Transient Rental by Federal law limits its legal use to the owners and nonpaying lodgers. All paying lodgers are subject to County Transient Occupancy Tax. The ordinance states that the owner can occupy the rental residence any time it is not otherwise occupied. No provisions are made for "friends of the owner" stays, which add to the transient impact on the neighboring residents. County Code enforcement should be required to monitor all lodgings of vacation rentals.

The resident protest action was subjected to County orchestrated and confusing workshops, designed to counteract the Grand Jury stipulations and resident petitions. The County imposed delays in the ordinance amendment process. During this time, the County Planning Department did not enforce any of the original ordinance measures. This allowed the number of vacation rentals to multiply at a fast rate. In Cayucos this caused a steady conversion of long term residential rentals into transient rentals. Long time residents were forced to leave Cayucos in a reverse coastal access action. The Public School viability is threatened by a steady decline in new sign-ups for students. Businesses and public entities, depending on permanent residents, experience a decline. The number of vacation rentals at this time has caused the Character of Residential Neighborhoods to deteriorate substantially. This in violation of State Zoning Law Statutes for Transient Rentals in these residential communities. The limit is reached and must be included in ordinances.

On behalf of the petitioning residents and representative Advisory Councils, we are pleading that the ordinance be amended and include the following (see exhibit A):

1. Vacation rental tenancy (item c.). A minimum rental stay of at least four days is required at full advertised daily rates (remove the language stating: "however, occupancy of the residence is not required to occur for the entire time period").
2. Limitation of rental residences (new item). The total number of rental residences shall be limited to the number on record with the County Tax Collector. The final recording date shall be within 30 days of the Coastal Commission approval date.
3. Violation-vacation rental (item 1.). Add the following to this item:
The County shall dedicate ample Code Enforcement funding, using rental owner fees to assure adequate funding. The Enforcement Office shall inform all residents near vacation rentals of its phone number, address, and process to report/file code violations. The timely County response shall be in writing. All lodgings reported deemed to be in code violation shall be on-site inspected expeditiously, and records shall be public accessible.

Following is a background summary of actions and events substantiating our claims, including the noted legal instruments the County dismissed in the formulation of the ordinance. The following exhibits A through G, with itemized explanatory notes, are enclosed to aid in the review process: *

A/ Representative ordinance exhibit, included to identify the requested amendment changes on page 3 of this letter.

B/ The 1997/98 San Luis Obispo Grand Jury report on Vacation Rentals, requiring remedial amendment action (submitted to Presiding Judge of the Superior Court).

1. Original ordinance minimum stay limits of seven to thirty days defined.
2. Original ordinance language ambiguous, interpretative and lacking clarity.
3. Evenhanded application and enforcement of the minimum seven day stay limit lacking.
4. The County to seek (abide with) substantial (majority) Public Comment.
5. Transient Rental impact limitations noted in 1991 Carmel appellate court case.
6. The ordinance must clearly define impact relief for the permanent residents.

Permissible length of stay.

Allowable number of rentals per month.

Allowable number of rental units per geographic area.

Allowable density of rental units.

Enforcement provisions for the ordinance.

C/ 234 Cal.App.3d 1579, 286 Cal.Rptr. 382 [Oct.1991], Ewing v. Carmel-by-the-Sea. Restrictions of Commercial Transient Rentals in Single-Family Zoned districts.

1. The property rights for owners of a Single-Family residence, with respect to rentals, are limited to rental stays for periods of 30 days or more.
2. The court held that the Maintenance of the Character of Residential Neighborhoods is a proper purpose of zoning, and such character is threatened when a significant number of homes are occupied, not by permanent residents, but by a stream of tenants staying a short time.

D/ Petitions and affirming Statements of Concern signed by more than 552 residents. List of names and address of petitioners submitted to the County is attached.

1. Minimum rental stays of seven consecutive days, with no exceptions.
2. Rental contracts from 7 to 30 days at full daily rate; TOT tax required.
3. Early departure practices causing routine shorter stays to be outlawed.
4. Requirement for TOT Registration Certificate and accessible lodging administration.
5. No Permit/Registration allowed for property deed restricted residential districts.
6. Restriction on allowable number of guests, motorized vehicles and boats.
7. Registration fee of 1000 dollars required to offset enforcement/infraction cost.
8. Rental frequency once per month; geographic distribution of rentals required.
9. No residential disturbing guest conveniences allowed: noise, music, lighting, etc.
10. All rentals to be locally managed, using guest ledger registration which are readily available to Code and Law Officers. Routine and complaint enforcement required.
11. Full manager registration of rental use by owners and/or "friend of the owner".

E/ North Coast Advisory Councils of Cayucos and Cambria; Empowered to direct San Luis Obispo County Government on behalf of local residents.

1. Ordinance requirement for Geographic Distribution of Vacation Rentals.
2. Ordinance Limit on the Total Number of Rentals per Community, not to exceed the number on record with the County Tax Collector as of a specified date.
3. Ordinance requirement for a seven day minimum rental period, including at least four days of occupancy, with full rate occupancy tax due during that period.
4. Ample Code Enforcement Officer shall be provided, with rental records available at all times. Code enforcement expenses to be offset by adequate TOT taxation and annual rental owner registration/permit fees.

* These exhibits will be available for review at the Coastal Commission hearing, and upon request of Commission staff.

SLO LCPA 1-01 Part A
Exhibit 3 p 7

F/ Video Record of the 2-6-01 Final Ordinance Meeting, County Board of Supervisors.

1. Critical comment by Supervisors and Planning Dept. Staff; afternoon session.
2. Definition of vacation rentals; long term stays in contrast to motels, etc.
3. Public Comment by resident petitioners that clear ordinance language shall define the fully taxed four day minimum rental stays. There can be no exceptions to the stay limits, and ordinance language must not allow private interpretation (such as manipulating the advertised daily rental rate contractually to permit shorter stays). Otherwise, the result would be an unenforcible ordinance, thus obviating the purpose of the ordinance.
4. Supervisors and Planning Staff did not respond to public comment, and did not discuss whether the ordinance language prepared by Staff and submitted for approval is clear or interpretative. Exception language, stating that occupancy of the full four day period is not required certainly is interpretative. Petitioners requested language for rental at full (advertised) daily rates, which is not included. Manipulation of the contractual daily rental rates to void strict four day stay requirements was noted by Supervisor Ryan. He suggested that since the stay limit therefore would not be enforceable, the four day limit rule should be eliminated. The only conclusion which can be drawn from these actions is:
"ambiguous interpretative ordinance language was incorporated to void the four day stay limit requirement, thus rendering the ordinance unenforceable"!
5. Statements from the majority of Supervisors that they abide with the ordinance amendments advisories from the North Coast Advisory Councils. The Councils want a limitation on the number of vacation rentals, on record at the time of ordinance enactment. This State Law adjudicated limit, also petitioned to the Planning Director, is not included in the ordinance.

G/ Record of Communications with Planning Staff and Board of Supervisors, attesting to fact that the County of San Luis Obispo dismissed overwhelming comment and governing legal instruments, applicable to vacation rental ordinances..

1. Letter to Senior Planner Kami Griffin on 7-29-1996, questioning the original vacation rental ordinance language and lack of enforcement actions.
2. Letter to Planning Director Alex Hinds on 8-6-1996, questioning private departmental interpretation of the original vacation rental ordinance language.
3. Letter to County Tax Collector on 10-30-1997, with list of mainly out-of-county vacation rental owners, subject to Unsecured Property Taxes for businesses.
4. Grand Jury Complaint form on 11-11-1997, for inadequate County Ordinance provisions.
5. Letter to Alex Hinds on 7-10-1998, questioning the lack of enforcement for the seven day minimum stay requirement, and concurrent taxation administration.
6. Letter to Alex Hinds in August 1998, questioning non-compliance with Grand Jury affirmed rental stay requirements and Transient Occupant Tax (TOT) requirements.
7. Letter to District #2 Supervisor Bud Laurent on 8-25-1998, regarding the contents of the 1997/98 Grand Jury Report on Vacation Rentals, and the County aimed petition circulated among the residents in concurrence with the Grand Jury recommendations.
8. Record of speech to Board of Supervisors on 9-1-1998, presenting petitions signed by 450 residents of District #2 (including Cambria and Cayucos), requesting implementation of Grand Jury findings and petition items into ordinance amendments.
9. Cover page of Grand Jury Report response submittal report on 9-1-1998, with directions to forward the response to the Presiding Judge of the Superior Court.
10. Letter to Alex Hinds on 10-29-1998, pointing out the County Land Use change requirements for vacation rentals, and lack of enforcement of established rules.
11. Letter to Kami Griffin on 12-2-1998, seeking adherence to the legal instruments governing the intrusion of Transient Lodgings in Residential Neighborhoods.
12. Letter to Bryce Tingle, Acting Director of Planning on 4-7-1999, summarizing the residents' and motel owners claims for compliance with underlying legal instruments.
13. Letter to Art Trinitade, County Code Enforcement officer on 6-5-1999, enumerating Leon Kent's observations of vacation rental implications and County deficiency.
14. Letter to Bryce Tingle on 6-22-1999, with response of the petitioners view on County orchestrated workshops.

15. Letter to Bryce Tingle on 6-28-1999, with a Cayucos resident responding to the County orchestrated workshop in that community.
16. Letter to District #2 Supervisor Shirley Bianchi on 8-2-1999, commenting on the workshop and bringing the total number of signed resident petitions to 552.
17. Speech to the County Planning Commission on 8-10-2000, commenting on changes required to assure enforceability of the proposed ordinance language, and to limit the allowable number of rentals per community.
18. Letter to Victor Holanda on 8-16-1999, newly appointed Planning Director, attesting that the majority of petitioners insisted on the requirement for a Land Use Permit to implement vacation rental ordinances.
19. Letter to Victor Holanda on 8-20-1999, attesting to the intent and purpose of the resident petitions, and their majority position.
20. Letter the Board of Supervisors on 9-14-1999, indicating the ongoing violations of the seven day stay limits as well as the proposed four day stay limits.
21. Letter to Victor Holanda on 11-10-1999, summarizing the lack of response by the Planning Department for compliance with petitions and legal instruments.
22. Speech to the Board of Supervisors on 12-14-1999, pointing out that the newly proposed ordinance amendments disregard the majority Public Comment and the underlying legal instruments.
23. Items of discussion with Victor Holanda on 10-19-2000, with list of participants in trying to change the proposed ordinance amendments (motel owners present).
24. Letter to Supervisor Shirley Bianchi on 1-26-2000, commenting on the earlier meeting with Victor Holanda.
25. Letter to Dianne Hull, Chair of the County Planning Commission, recapitulating the resident petitioners position expressed to the Planning Director and Supervisors.
26. Letter to Victor Holanda on 7-15-2000, from a Cambrian resident who lives in a district of modest homes, away from the coast, commenting on vacation rentals.
27. Letter to Supervisor Shirley Bianchi on 7-18-2000, from a Cambrian resident commenting on the proposed ordinance amendments for vacation rentals.
28. Letter to the County Planning Director on 7-20-2000, from Cambrian residents, commenting on workshops and the proposed vacation rental ordinance amendments.
29. Speech to the Board of Supervisors on 7-25-2000, commenting on the ambiguous proposed vacation rental ordinance language and non-enforceability. Also the dismissal of Grand Jury stipulations and legally required limitation of rentals.
30. Letter to Planning Commission member Clifford Smith on 8-1-2000, emphasizing the critical factors with respect to proposed vacation rental ordinances.
31. Speech to the County Planning Commission on 8-10-2000, noting the ambiguous proposed ordinance language and lack of impact protection for the residents.
32. Letter to Victor Holanda on 11-30-2000, protesting the unfair and non-compliant proposed vacation rental ordinance amendments.
33. Group meeting with Supervisor Achadjian on 12-6-2000, emphasizing proposed ordinance flaws and asking him for his support of the residents.
34. Letter to Supervisor Achadjian on 1-10-2001 by the Cambrian Forum in support of the residents' petitions and ordinance amendments.
35. Petition to Supervisor Peg Pinard before 1-16-2001, signed by many residents, noting the requirement for number limitation of vacation rentals, full rate rental and taxation of at least four day stays, enforceability and assured enforcement.
36. Speech to the Board of Supervisors on 1-16-2001, reiterating the item 34 issues.
37. Letter to Supervisor Achadjian on 1-24-2001, commenting on the 1-16-2001 meeting.
38. Speech to the Board of Supervisors on 2-6-2001, with emphasis on clear enforceable ordinance language, number of rental limitations, and assured enforcement.
39. Speech to the Board of Supervisors on 2-6-2001, emphasizing the empowered Advisory Council directions to the County Planning Department for: community rental unit limitations, rentals stays and taxation for at least four days, and dedicated county code enforcement.
40. Speech to the Members of the Coastal Commission on 2-15-2001, noting the long delayed ordinance formulation process, and requesting an expedited and critical response to the forthcoming Commission approval of the vacation rental ordinance.

Charles Lestor, Director
Calif. Coastal Commission
725 Front Street, Suite 300
Santa Cruz, Ca. 95060-4508

5-4-01

CL
RECEIVED

MAY 09 2001

Re: Vacation Rentals in San Luis Obispo County

CALIFORNIA
COASTAL COMMISSION
CENTRAL COAST AREA

Mr. Lestor,

*
The enclosed documents will give only a brief history of the Vacation Rental issue in Cambria and Cayucos. My wife and I were directly impacted for three years by one next to our home. We were threatened with legal action by the lawyer representing the owner of the vacation rental. The case clearly stated that our opposition and complaints against the transient tenants clearly interfered with the property owner's right to make a profit on the rental. That clearly established the vacation rental business as a for profit business.

1) This process by private citizens to require the San Luis Obispo Planning Department and Board of Supervisors to enforce current codes began in the summer of 1996.

2) At that time, the code required enforcement of a seven day stay for all vacation rentals. The planning department stated that they did not have sufficient staff to enforce the code or to even verify how many vacation rentals existed. This certainly is evidence that the county did not even require a business license or track the Transient Occupancy Tax activity.

3) Our efforts and findings were certainly supported by the findings of the Grand Jury 1998 report. Since that report, the Planning Department and the Board of Supervisors has chosen to ignore the findings and write a completely ineffectual proposal.

4) The proposal offers no remedies for infractions, no monitoring of the Transient Occupancy Tax, no systematic procedure to account for the number of vacation rentals or setting limits in impacted areas, and no penalties for violations.

5) As a business owner in Cambria, this is very offensive. My wife and I are held accountable to many governmental agencies for licenses, taxes, permits, and many penalties for any violation of the codes and laws.

6) The area of vacation rentals has never been held accountable or played on a level playing field. We have gotten absolutely no support from any governmental agency in San Luis Obispo County to hold that industry accountable.

7) The majority of vacation rentals in this county exist in Cambria and Cayucos and in a very sensitive coastal zone. Most of them are now on the ocean frontage. There are areas in both towns where for many blocks, the dominant usage is vacation rentals.

8) Many of the documents submitted to you by others outline the many nuisances created by the transient nature of the vacation rental industry.

9) Realtors and property managers continue to find ways of evading the seven day or the new four day stay limitation. The Real Estate industry has no intention of complying with regulations. They have made that evident since they have never complied with the seven day stay limit which is the current code.

10) The county is at fault and very liable for the failure to enforce this current code. Some

*The referenced enclosures will be available for review at the Coastal Commission hearing and upon request of Commission Staff.

SLO LCPA 1-01 Part A
Exhibit 3 p. 10

ethical vacation rental owners have complied with the law and maintained the seven day rule. I am surprised that those ethical owners have not taken the county to court for failure to apply the law equally.

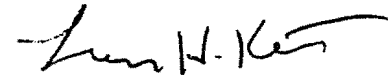
11) Some vacation home owners proudly brag that they have never paid Transient Occupancy Tax and never will. Again, this county is liable for not enforcing the law fairly and equally.

12) The Grand Jury referred to the current Transient Occupancy Tax as a "mandated voluntary tax" as administered by the County of San Luis Obispo. The proposed changes in the code does nothing to enforce this tax and make it equal to all other mandated taxes with penalties for failure to adhere to the tax.

13) The issue of vacation rentals in this county is of major concern. Of greater concern is the lack of interest given by the Planning Department or Board of Supervisors. They have not listened to the North Coast Advisory Council, the Cayucos Advisory Council, or the Grand Jury. They have not recognized the majority opinion as expressed in the petition circulated in this county, and they have not even recognized the issue as being one of potential harm to this area in that no limits are even being considered for the total number of vacation rentals that could exist.

Please give this matter your attention and I do appreciate your concerns as a group as presented in the recent Coastal Plan updates.

Sincerely,



Leon H. Kent
1872 Tweed
Cambria, Ca. 93428
(A Cambria resident for 18 years)

SLO LCPA 1-01 Part A
Exhibit 3, P. 11

RECEIVED

California Coastal Commission
Commission Staff
725 Front Street, Suite 300
Santa Cruz, CA 95060-4508

June 25, 2001

JUN 29 2001

CALIFORNIA
COASTAL COMMISSION
CENTRAL COAST AREA

Madam Chair:

The vacation rental ordinance sent to you by the County of San Luis Obispo is unsatisfactory and may very well be illegal. I have been involved in the very lengthy process of providing the county with volumes of information and responses concerning vacation rentals in California and in our own area. You have received correspondence from Martin Verhaegh that outlines precisely the steps taken by him and other community members to protest the past and current vacation rental ordinances.

I am a school board member on the Cayucos Elementary School District. For the past few years we have experienced declining enrollments and anticipate this trend will continue. Many families leaving our district do so because of lack of housing in the community. I gave your commission a copy of the known existing vacation rentals when you were in Cayucos last year. There were over 170 listings and there are more because all rentals are not maintained through a realtor. Over 10% of Cayucos homes are residential motels and the ordinance proposes no limitations on numbers or review of community impact. Homes that were rented year round are becoming residential motels on a regular basis. I believe that if half of the residential motels became full time rentals it would have a positive community impact. Our school would not be in a decline, businesses would have more year-round clientele and community churches and service organizations would have increased numbers of participants. That's what makes a community, not unlimited numbers of transient occupants inundating our neighborhoods.

There are many stipulations I would like the ordinance to provide, but our petition and letters and comments have fallen on deaf ears. I think since they operate as a business, they should have every requirement and restriction that a motel does. If they are to exist in our neighborhoods they should be considered special use and also be required to pay a special use fee. We have persistently provided the county planning department and commissioners with copies of ordinances in other coastal/tourist communities that have restricted or banned completely the vacation rental businesses. Why are these coastal communities banning this activity, but unincorporated Cayucos and Cambria are deemed as suitable locations for zoning laws to be ignored? My wish is that we not have them at all, unfortunately money speaks louder words. Please tell the San Luis Obispo County Commissioners to amend the ordinance with:

- a limit and review of community impact
- at least 4 day minimum stay (7 would be better)
- a special use fee per rental to be used for enforcement costs (the burden of this belongs to the businesses that benefit from this type of activity in residentially zoned neighborhoods.)

I hope that you will consider our pleas and think about what makes up your community and why many of us feel that it's worth saving.

Sincerely,

Jan Lewis

Jan Lewis
Box 587-84 13th St.
Cayucos, CA 93430

SLO CCPA 1-01 Part A
Exhibit 3, p. 12

Renee Brooke

From: Charles Lester
Sent: Tuesday, May 08, 2001 2:41 PM
To: Renee Brooke; Steve Monowitz; Rick Hyman
Subject: FW: vacation rentals

FYI

-----Original Message-----

From: Bob/LaVerne McDonnell [mailto:BobLaVerneMcDonnell@msn.com]
Sent: Tuesday, May 08, 2001 2:32 PM
To: clester@coastal.ca.gov
Subject: vacation rentals

THE CAMBRIA FORUM

P.O. BOX 762 Cambria, CA 93428
(805) 927-2466

Phone/Fax:

May 8, 2001

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Glenn Hascall

clester@coastal.ca.gov

Dear Mr. Lester:

SLO LCPA 1-01 Part A
Exhibit 3, p. 13

Pat Hascall
Judith Jesness
Peter Jesness
Jacque Kelly
Mike Levy
Jim Lyon
Bev Prayer
Jerry Prayer
Joyce Renshaw
Ken Renshaw
Mel Schwimmer
Art Van Rhyn
Pat Van Rhyn

Once again the Cambria Vacation Rental Ordinance is up for discussion. You and the Coastal Commission have a chance to finally turn a serious problem and a potentially very bad problem into a solved problem.

Please insure the following:

- That the county allows sufficient money in order to really enforce the law
- Rental stays must be for a minimum of four days, at the full daily rate.
- There must be a limit on the total number of rental units. This number must not exceed the number currently on the books.

05/08/01 2:12 PM

Our view is that controls and limits are essential on vacation rental units essentially scattered throughout the residential community. It is proper for short-term rentals, rentals for one, two or three days, to be handled by the many motels in the community.

Sincerely,

Bob McDonnell, Director

SLO LCPA 1-01 Part A
Exhibit 3, p.14

05/08/2001