CALIFORNIA COASTAL COMMISSION

SAN DIEGO AREA
7575 METROPOLITAN DRIVE, SUITE 103
DIEGO, CA 92108-4402
767-2370



RECORD PACKET COPY

January 29, 2004

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TO:

COMMISSIONERS AND INTERESTED PERSONS

FROM: DEBORAH LEE, SOUTH COAST DEPUTY DIRECTOR

SHERILYN SARB, DISTRICT MANAGER, SAN DIEGO AREA OFFICE

DIANA LILLY, COASTAL PROGRAM ANALYST, SAN DIEGO AREA OFFICE

SUBJECT: STAFF RECOMMENDATION ON MAJOR AMENDMENT #1-03 TO THE CITY OF IMPERIAL BEACH LOCAL COASTAL PROGRAM (For Public

Hearing and Possible Action at the Meeting of February 18-20, 2004)

SYNOPSIS

SUMMARY OF AMENDMENT REQUEST

The subject LCP Amendment was submitted and filed as complete on December 24, 2003. Therefore, absent the granting of a time extension, the date by which the Commission must act on the amendment is February 22, 2004.

The City is proposing to amend its certified LCP implementation plan regarding the use of short-term rentals. The amendment would add a definition of "short-term rental" as the renting of residential property for less than 30 days. The amendment would add short-term rentals as a permitted use in the C-1 (General Commercial), the C-2 (Seacoast Commercial) and MU-2 (Mixed Use Overlay) zones. A specific, limited number of existing short-term residential rentals that have been issued a provisional permit would be permitted in the R-1500 High Density Residential Zone until January 1, 2007. The proposed amendment would not apply to bed and breakfast-type inns, motels, hotels, or timeshare developments.

The amendment also adds a new definition of "time share", which the City's code currently lacks. No changes to the areas where time shares are currently permitted are proposed.

The Commission reviewed a similar LCP amendment in September 2002 which proposed a new section to the code that specifically prohibited short-term rentals throughout the City with the exception of the Seacoast Commercial and Mixed Use Overlay zones. New language also described participating in a short-term rental as a legal infraction and violation. At that time, the Commission found that the City's proposed amendment was excessively restrictive and discouraging towards tourist related uses and visitor accommodations and could have an adverse impact on the provision of these facilities.

SUMMARY OF STAFF RECOMMENDATION

Staff recommends that, following a public hearing, the Commission approve the proposed City of Imperial Beach Implementation Plan Amendment #1-03 as submitted. Visitorserving uses such as vacation rentals are a high priority under the Coastal Act. However, in this particular case, the proposed limits the decision not to include short-term rental as an allowable use in other areas on short-term rentals of residential facilities in residential zones are not expected to adversely impact visitors. Vacation rentals will be allowed in the City's visitor-serving designated area (the Seacoast Commercial Zone), and in the residential units located in the Seacoast commercial area. Short-term rentals will also be allowed in the City's General Commercial zone. In past reviews of the City's land use designations, the Commission has not considered or required residentially zoned areas to be part of the City's reserve of tourist-oriented uses or overnight accommodations. Unlike some beach communities, Imperial Beach has a supply of lower-cost visitor accommodations in its existing hotels and motels. The Commission has previously determined that the City's existing visitor-serving designations are adequate to serve the needs of visitors, and the proposed amendment will not result in any change to these designations.

Attached is the City's proposed ordinance with the proposed changes (Exhibit #1) and a strike-out/underline exhibit provided by the City that shows the proposed amendment in the context of the existing LCP (Exhibit #2).

The appropriate resolutions and motions begin on page 3. The findings for approval of the Implementation Plan Amendment as submitted begin on page 4.

ADDITIONAL INFORMATION

Further information on the City of Imperial Beach LCP Amendment #1-03 may be obtained from **Diana Lilly**, Coastal Planner, at (619) 767-2370.

PART I. OVERVIEW

A. LCP HISTORY

On June 30, 1981, the City of Imperial Beach formally submitted its Land Use Plan (LUP) for Commission approval. The plan, as originally submitted, comprised the City's entire General Plan (10 elements and a policy plan). Since the plan contained a large volume of material that was not coastal-related and policies addressing coastal issues were found throughout many of the elements, staff summarized the coastal policies into one document. This policy summary along with the Land Use Element was submitted to the Commission as the LCP Land Use Plan.

On September 15, 1981, the Commission found substantial issue with the LUP, as submitted, denied and then conditionally approved the LUP with recommended policy changes for all policy groups. The City resubmitted the LCP Land Use Plan in early 1982, incorporating most of the Commission's suggested policy modifications. This included modification language related to the preservation and protection of Oneonta Slough/Tijuana River Estuary and South San Diego Bay, preservation and enhancement of coastal access and the provision for visitor-serving commercial uses in the Seacoast District. On March 16, 1982, the Commission certified the City of Imperial Beach LCP Land Use Plan as submitted. The land use plan was effectively certified by the Commission on November 18, 1982. In 1983, prior to certification of the Implementation Plan, the Commission approved an amendment to the LUP to correct a mapping error.

On August 15, 1983, the City began issuing coastal development permits pursuant to Section 30600.5 (Hannigan provisions) of the Coastal Act based on project compliance with its certified LUP. The City then submitted its entire Zoning Ordinance in order to implement the provisions of the certified Land Use Plan. The zoning ordinance was completely rewritten in order to implement the LUP. On September 26, 1984, the Commission approved the LCP/Implementation Plan as submitted. As of February 13, 1985, the City has been issuing coastal development permits under a certified local coastal program. Subsequent to the Commission's actions on the land use plan and implementation plan, there have been approximately twenty-eight amendments to the certified local coastal program.

B. STANDARD OF REVIEW

Pursuant to Section 30513 of the Coastal Act, the Commission may only reject zoning ordinances or other implementing actions, as well as their amendments, on the grounds that they do not conform with, or are inadequate to carry out, the provisions of the certified land use plan. The Commission shall take action by a majority vote of the Commissioners present.

C. PUBLIC PARTICIPATION

The City has held City Council meetings with regard to the subject amendment request. All of those local hearings were duly noticed to the public. Notice of the subject amendment has been distributed to all known interested parties.

PART II. LOCAL COASTAL PROGRAM SUBMITTAL - RESOLUTIONS

Following a public hearing, staff recommends the Commission adopt the following resolutions and findings. The appropriate motion to introduce the resolution and a staff recommendation are provided just prior to each resolution.

I. MOTION:

I move that the Commission reject the Implementation Program Amendment Number 1-03 for the City of Imperial Beach as submitted.

STAFF RECOMMENDATION OF CERTIFICATION AS SUBMITTED:

Staff recommends a NO vote. Failure of this motion will result in certification of the Implementation Program Amendment as submitted 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 IMPLEMENTATION PROGRAM AMENDMENT AS SUBMITTED:

The Commission hereby certifies the Implementation Program Amendment Number 1-03 for the City of Imperial Beach certified LCP as submitted and adopts the findings set forth below on grounds that the Implementation Program Amendment conforms with, and is adequate to carry out, the provisions of the certified Land Use Plan, and certification of the Implementation Program Amendment will meet the requirements of 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 Amendment on the environment, or 2) there are no further feasible alternatives or mitigation measures that would substantially lessen any significant adverse impacts on the environment that will result from certification of the Implementation Program.

PART III. FINDINGS FOR APPROVAL OF THE CITY OF IMPERIAL BEACH IMPLEMENTATION PLAN AMENDMENT 1-03, AS SUBMITTED

A. AMENDMENT DESCRIPTION AND HISTORY

The subject LCP amendment affects the definition, location, and operation of short-term rentals. The amendment would add language to five different sections of the zoning code as follows:

- A description of "Short-term rental" would be added to the Definitions chapter of the zoning code;
- Short-term rentals would be added to the list of permitted uses in the C-1 General Commercial Zone, the C-2 Seacoast Commercial Zone, and the MU-2 Mixed Use Overlay Zone;
- A specific, limited number of existing short-term residential rentals have been issued provisional permits and would be permitted in the R-1500 High Density Residential Zone until January 1, 2007.

In addition, the amendment adds the following description of "Time share" to the Definitions chapter of the zoning code:

• 19.04.756. Time share "Time Share" means property in which a number of parties possess a right to the exclusive use of the property, or a portion of the property, for a specified recurring period of time."

The amendment would not affect legally established bed and breakfast inns, motels, hotels, or timeshare developments. The time share definition has been proposed simply because the City's existing code lacked such a definition. The amendment would not change the areas where timeshares are currently permitted. To be consistent with the new definition, the amendment also changes the one existing time share reference in the City's LCP (contained in the list of conditionally permitted uses in the MU-2 overlay zone) from "Time share units" to "Time shares."

Amendment History

The Commission reviewed a similar LCP Amendment in September 2002 (IB LCPA #1-02) which proposed adding a new section to the code that specifically prohibited short-term rentals throughout the City with the exception of the Seacoast Commercial zone and the Mixed Use Overlay zone. In addition, language was proposed which described participating in a short-term rental as a legal infraction and violation. At that time, the Commission found that the City's proposed amendment was excessively restrictive and could have an adverse impact on the provision of tourist related uses and visitor accommodations, and thus, the Commission denied the LCP amendment.

B. FINDINGS FOR APPROVAL

The standard of review for LCP implementation submittals or amendments is their consistency with and ability to carry out the provisions of the certified LUP.

1) <u>Purpose and Intent of the Ordinance</u>. The purpose and intent of the proposed ordinance amendment is to define and allow the use of residential properties for short-term (vacation length) rentals in specified areas. The proposed amendment differs from the previous amendment in that it simply adds short-term rentals as a permitted use in the Seacoast Commercial and Mixed Use Overlay. It also would allow short-term rentals in the Commercial zone, which would not have been permitted under the amendment rejected by the Commission. The amendment also contains a more streamlined definition of "Time share" compared to what was previously proposed.

The City has indicated that the basis for the proposed amendment stems from complaints the City began receiving in early 2001 from owners of condominium units along South Seacoast Drive regarding neighboring units being rented out on a weekend basis. The complaints stated that these overnight patrons created excessive noise, parking problems and trash.

South Seacoast Drive is designated R-1500, a high-density residential designation. According to the City, while owners of residential properties are free to rent out their properties, rentals offered on a daily or weekly basis fall under the City's definition of a "Hotel", which is "any establishment offering commercial transient lodging accommodation on a less than monthly basis to the general public..." (Municipal Code Section 19.04.410). The City's position is that the certified LCP does not permit commercial establishments such as hotels in residentially zoned areas. Thus, the City has indicated that the intent of the proposed amendment is not to eliminate an existing, legally established use, but to clarify that short-term rentals are a permitted use only in tourist-commercial or general commercial zones, so as to maintain the integrity of the residential zones and neighborhoods. Therefore, the proposed amendment would add short-term rentals as a permitted use in the C-1 (General Commercial), C-2 (Seacoast Commercial) zone and MU-2 Overlay zone.

However, in the past, business license applications for residential rentals were not routed to the City's Community Development Department for planning and zoning clearance, and thus, a number of licenses for short-term rentals were issued, and Transient Occupancy Taxes (TOT) were collected through these permits. For example, as of December 11, 2000, there were nine TOT payers located in the area south of Imperial Beach Boulevard along Seacoast Drive. Because the owners of these sites were operating in good faith that they were in compliance with local ordinances, the City has since issued provisional permits legalizing the short-term rental of these properties until 2007. The proposed amendment designates these provisionally permitted short-term rentals as permitted uses in the R-1500 zone until 2007.

It is likely that in the past there have been other residential units along Seacoast Drive being offered to the public for short-term rentals that did not have valid business licenses, and thus were not operating legally; however, because there are not official records on these units, it is difficult to quantify the number of them.

2) <u>Major Provisions of the Ordinance</u>. The proposed amendment would add short-term rentals as a permitted use in the C-1 (General Commercial), C-2 (Seacoast Commercial) zone and MU-2 Overlay zone.

The City's C-1 zone is located in the northeastern portion of the City along the Palm Avenue/Highway 75 corridor. It is an older, commercial district, which is not likely to support many short-term residential rentals. However, Palm Avenue is the City's main coastal access route, and like most of this small city, is only a few minutes drive from the beach, and thus could conceivably offer some opportunities for lower-cost short-term rentals.

Together, the C-2 and MU-2 designations cover the City's coastal area from approximately Palm Avenue south to Imperial Beach Boulevard (see Exhibit #3), or roughly half of the city's beachfront. This area, referred to generally as the Seacoast Commercial zone, is the city's principal visitor-serving commercial zone. The purpose of

the zone is to provide land to meet the demand for goods and services required primarily by the tourist population, as well as local residents who use the beach area. The dominant type of commercial use in this zone is visitor-serving commercial leaseholds which include uses such as specialty stores, surf shops, restaurants, hotels and motels. According to the City, most recent developments along Seacoast Drive in the C-2 area have been mixed-use housing/commercial projects, which have increased the housing stock available for short-term rentals. With its mixture of retail, restaurant, and recreational facilities, this area is well suited for short-term, tourist-oriented accommodations.

The MU-2 Mixed Use Overlay is applied to the R-1500 high-density residential designation located seaward of the Seacoast Commercial designation (see Exhibit #3). It is intended to be a transition zone between residential and commercial uses. In this overlay designation, commercial activities are allowed to expand into areas otherwise designated as Residential, and existing residential uses are to be slowly transitioned to new visitor serving commercial uses. Thus, this area is also well suited for short-term rentals. Overall, the City estimates there are 80-100 dwelling units typically being offered for short-term rental in the Seacoast Commercial area. However, currently there is only one motel located directly on the beach on the Seacoast Commercial area, and that facility only has 38 rooms. Even with additional hotel/motel development in this area, beachfront availability is limited.

3) Adequacy of the Ordinance to Implement the Certified LUP Segments.

The certified LUP has a number of goals and policies relevant to the rental of residential units. Goal 11 states in part:

GOAL 11 SMALL BEACH ORIENTED TOWN

a. Residential Neighborhoods

Future plans should foster keeping residential neighborhoods stable, well-maintained, and pedestrian oriented [...]

d. Visitor/Resident Balance

The California Coast is an extremely desirable place to live, work and recreate that belongs to all the people. As such, congenial and cooperative use by both residents and visitors is recognized. Such use should capture the best attributes of the City and creatively determine the acceptable place, scale, intensity, rate and methods for development consistent with resource protection and the retention of the character of a small beach-oriented town.

Policy L-3 Residential Uses and Neighborhoods states in part:

c. Single Family/Multi-Family Balance

The retention and expansion of stable, owner-occupied, single family neighborhoods is essential in order to maintain the goal of a small beach-oriented

town. These areas shall be protected from intrusion of traffic and conflicting land uses such as multifamily structures or commercial developments.

d. High Density Residential

Higher density neighborhoods shall be located near public transportation facilities. Development shall emphasize human scale, aesthetically pleasing buildings with active and passive private and common open space. Areas shall be protected from the intrusion of traffic and conflicting land uses.

Table L-2, LAND USE DESIGNATIONS AND SPECIFICATIONS states in part:

R-1500 Residential (3 stories)

The R-1500 Residential land use designation provides for the development of detached and attached single family and multi-family dwellings (duplexes, apartments, condominiums, townhomes) with a maximum density of one unit per every 1,500 sq. ft. of land. This designation will permit as many as 29 units per net acre of land. Uses such as parks, libraries, churches, schools, family day-care homes, and other uses, which are determined to be compatible with and oriented toward serving the needs of the zone are also allowed. The intent of this designation is to provide for an intense residential living environment in typically two and three-story units. Extensive landscaping and recreational amenity packages should be provided in development of this density.

C-2 Seacoast Commercial (3 stories)

The Seacoast Commercial land use designation provides for land to meet the demand for goods and services required primarily by the tourist population, as well as local residents who use the beach area. It is intended that the dominant type of commercial activity in this designation will be visitor-serving retail such as specialty stores, surf shops, restaurants, hotels and motels, etc. In order to promote a more pedestrian-oriented community character, as well as to reduce the high volume of vehicle trips attracted by drive-thru establishments, drive-thru services for restaurants, banks, dry cleaners, and other similar auto related business establishments shall be prohibited in this zone. Residential uses may (included below) be permitted above the first floor at a maximum density of one unit per every 1,500 square feet of land. Discretionary permit review by the City shall be required for such residential use.

MU-2 Mixed Use Overlay

The Mixed Use Overlay land use designation provides for future expansion of uses allowed in the C-2 Land Use Designation in an orderly way without requiring the amendment of the General Plan. In this overlay designation, commercial activities would be allowed to expand into areas otherwise designated as Residential. Discretionary permit review by the City shall be required for such commercial use.

The L-4 Commercial Uses and Areas contains specific policies for commercial uses and areas, and states:

e. Seacoast Commercial (C-2 & MU-2)

The Seacoast commercial area shall serve as a visitor serving, pedestrian-oriented commercial area. Existing residential uses shall be slowly transitioned to new visitor serving commercial uses. As part of the design review, 2nd or 3rd stories may be required to be set-back from Seacoast Drive.

Timeshares shall be prohibited on the first floor unless 25% are reserved for overnight accommodation.

Policy L-6 states:

L-6 Tourist Commercial Uses

Imperial Beach should provide, enhance and expand tourist commercial uses to the extent that they can be compatible with the small beach oriented town character of the City.

Policy P-2 and P-7 state:

P-2 Ocean and Beach Are The Principal Resources

The ocean, beach and their environment are, and should continue to be, the principal recreation and visitor-serving feature in Imperial Beach. Oceanfront land shall be used for recreational and recreation-related uses whenever feasible.

P-7 Increase Tourist Related Commercial Land Uses

The City and its business community should take direct action to increase the amount of tourist-oriented businesses both along the beachfront, South San Diego Bayfront and inland areas

The Commission's concern with the proposed amendment is the potential impacts to visitors by the elimination of a source of overnight visitor-serving accommodations. On the one hand, there are beach communities where vacation rentals are the predominant use of residential units during the summer, and prohibiting these uses could have a significant impact on the character of the community and the supply of overnight accommodations. Mission Beach and portions of Pacific Beach in the City of San Diego are examples of communities where almost all of the multi-family dwellings are rented out during the summer, and they provide an important reservoir of lesser-priced (compared to hotels) tourist accommodations. On the other hand, the Commission recognizes the importance of preserving the character of residential neighborhoods, and has not typically considered residential areas as part of a City's supply of visitor-serving commercial facilities. The Commission has instead maintained that adequate area must be zoned and designated for visitor-serving commercial uses in the LCP.

It is unclear the extent to which short-term rentals have been operating in residential areas, and whether this use could be considered consistent with the LCP. The City has stated that short-terms rentals were never intended to be a permitted use in residential areas. However, citizen testimony in front of the Coastal Commission when the previous short-term rentals amendment was submitted, asserted that vacation rentals have been operating in Imperial Beach for at least 20 years. It is known that on a limited basis, residential rentals have been operating with at least partial City approval and consent. The City has stated that, in the past, business license applications for residential rentals were not routed to the City's Community Development Department for planning and zoning clearance, and thus, a number of licenses for short-term rentals were inappropriately issued, and Transient Occupancy Taxes (TOT) were collected through these permits. For example, as of December 11, 2000, there were nine TOT payers located in the area south of Imperial Beach Boulevard along Seacoast Drive. Because the owners of these sites were operating in good faith that they were in compliance with local ordinances, the proposed amendment contains a "grandfathering" provision that will allow for these nine units to continue to be used for short-term rentals until 2007.

The certified LUP does not have any policies specifically addressing short-term residential rentals, but it does have policies that support both the provision of stable, well-maintained residential neighborhoods and the provision and expansion of tourist commercial uses. Outside the Seacoast commercial district, the beachfront area is zoned R-1500. As stated above, the LUP describes this designation as providing for the development of:

"detached and attached single family and multi-family dwellings (duplexes, apartments, condominiums, townhomes) with a maximum density of one unit per every 1,500 sq. ft. of land...Uses such as parks, libraries, churches, schools, family day-care homes, and other uses, which are determined to be compatible with and oriented toward serving the needs of the zone are also allowed. The intent of this designation is to provide for an intense residential living environment in typically two and three-story units" (emphasis added).

The zoning ordinance for the R-1500 zone lists the following permitted uses:

19.17.020. Permitted uses.

A. The following uses are permitted in the R-1500 zone, provided that all projects containing two to four units shall be subject to the approval of a site plan review by the community development department and five or more units shall be subject to the approval of a site plan review by the planning commission:

- 1. Detached or attached residential dwelling units;
- 2. Accessory buildings, structures and uses customarily incidental to any permitted use; [emphasis added]
- 3. Private garages to accommodate not more than four cars per dwelling unit;
- 4. Family day care facilities as permitted in Chapter 19.64;

- 5. Home occupations as permitted in Chapter 19.74;
- 6. Swimming pools, spas and hot tubs as permitted in Chapter 19.70;
- 7. Signs as permitted in Chapter 19.52;
- 8. Satellite dish antennae as permitted in Chapter 19.71.
- B. The following uses are permitted in the R-1500 zone subject to the approval of a conditional use permit:
- 1. Churches;
- 2. Day care centers;
- 3. Library;
- 4. Mobile home parks;
- 5. Parks;
- 6. Senior housing as permitted in Chapter 19.67;
- 7. Schools.

Again, the City has stated it's belief and interpretation of the City's code is that short-term rentals are not compatible with residential use, nor are they customarily incidental to any permitted use within this zoning classification, and have never been permitted under the certified LCP.

The Commission respects the City's interpretation, but stresses that short-term vacation rentals have historically been available at tourist destinations throughout California (and elsewhere), and the Commission believes they have generally been considered both compatible and customary uses in beach communities.

However, as several LUP policies quoted above indicate, it is necessary to find a balance between visitor-serving and residential uses. Some of those LUP policies specifically provide for the retention of stable, owner-occupied, well-maintained, single-family neighborhoods, protected from the intrusion of incompatible land uses; and conformity with those LUP policies is the governing standard for review of these proposed changes. In this particular case, the Commission can find that the City's allowance of short-term rentals as a permitted use in primarily commercial areas, and the decision not to list such uses in the other areas, is in conformity with the LUP policies listed above and will not have a significant adverse impact on the supply of visitor-serving accommodations in the City of Imperial Beach. In its previous certification of the City's LCP, the Commission determined that the City's Seacoast Commercial and MU-2 overlay together constituted adequate visitor-serving area, and this amendment would not reduce that area. The residentially-designated beachfront dwelling units have not previously been specifically recognized as part of the City's reserve of visitor-serving overnight accommodations. Given that only 9 units on Seacoast Drive were legally operating short-term rentals in the recent past, (and these units will be allowed to operate for the next five years), it appears that the proposed amendment will not have a significant impact on the availability of residential vacation rentals in any case.

Compared to many coastal communities, the existing formal visitor-serving facilities (i.e., hotels and motels) in Imperial Beach are relatively affordable. In contrast, were the City

of San Diego to prohibit short-term rentals in, for example, Mission Beach, it would not only significantly impact the character of that tourist destination, it would eliminate a major source of lower-cost visitor accommodations. That is not expected to be the case in Imperial Beach. There, the amendment will not set any precedent that could lead to adverse impacts on lower-cost accommodations in other beach communities.

In conclusion, the proposed amendment strikes a balance between the protection of residential areas and the accommodation of visitor-serving facilities, consistent with the policies of the certified LUP. Vacation rentals will continue to be allowed in the Seacoast commercial and mixed-use overlay zones, which are well suited for and able to accommodate the use, and in the Commercial zone. Thus, as proposed, the amendment conforms with, and is adequate to carry out, the certified land use plan.

PART IV. CONSISTENCY WITH THE CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA)

Section 21080.9 of the California Public Resources Code – within the California Environmental Quality Act (CEQA) – exempts local government from the requirement of preparing an environmental impact report (EIR) in connection with its activities and approvals necessary for the preparation and adoption of a local coastal program. Instead, the CEQA responsibilities are assigned to the Coastal Commission and the Commission's LCP review and approval program has been found by the Resources Agency to be functionally equivalent to the EIR process. Thus, under CEQA Section 21080.5, the Commission is relieved of the responsibility to prepare an EIR for each LCP.

Nevertheless, the Commission is required, in approving an IP submittal or, as in this case, an IP amendment submittal, to find that the approval of the proposed IP, or IP, as amended, does conform with CEQA provisions, including the requirement in CEQA section 21080.5(d)(2)(A) that the amended IP will not be approved or adopted as proposed if there are feasible alternative or feasible mitigation measures available which would substantially lessen any significant adverse impact which the activity may have on the environment. 14 C.C.R. § 13542(a). In the case of the subject LCP amendment, the Commission finds that approval of the subject LCP amendment, as submitted, would not result in significant environmental impacts under the meaning of the California Environmental Quality Act.

All portions of the proposed amendment to the City of Imperial Beach's Implementing Ordinances have been found consistent with and adequate to carry out the policies of the certified land use plan, which was itself found consistent with the resource protective policies of the Coastal Act. Any specific impacts associated with individual development projects would be assessed through the environmental review process, and, an individual project's compliance with CEQA would be assured. Therefore, the Commission finds that no significant unmitigable environmental impacts under the meaning of CEQA will result from the approval of the proposed LCP amendment as modified.



ORDINANCE NO. 2003-1013

DEC 0 1 2003

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF IMPERIAL BEACH AMENDING CHAPTERS 19.04, 19.17, 19.26, AND 19.27 OF THE MUNICIPAL CODE, REGARDING SHORT-TERM RENTALS

CALIFORNIA COASTAL COMMISSION SAN DIEGO COAST DISTRICT

WHEREAS, the Imperial Beach City Council adopted Interim Urgency Ordinance No. 2001-966, which was extended by Interim Urgency Ordinance No. 2001-967, requiring a study of the effect of short-term rentals on residential and commercial zones; and

WHEREAS, the study was completed and duly noticed public hearings were held by the City Council on January 16, 2002, and October 15, 2003, at which public testimony was heard and considered; and

WHEREAS, it was determined that owners of certain residential units in the R-1500 zone had been erroneously issued business licenses and charged transient occupancy taxes for several years prior to 2000; and

WHEREAS, it was determined to be in the best interest of the residents of the City of Imperial Beach in the interest of fairness and justice to allow those property owners who met certain conditions to have an additional amortization period to continue short-term rentals; and

WHEREAS, it was determined to be in the best interest of the residents of the City of Imperial Beach to permit short-term rentals without obtaining a conditional use permit in the C-1, C-2, and MU-2 commercial zones;

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF IMPERIAL BEACH ORDAINS AS FOLLOWS:

SECTION 1: Section 19.04.692 of Chapter 19.04 (Definitions) of the Imperial Beach Municipal Code is added to read as follows:

"19.04.692. Short-term rental.

'Short-term rental' means the renting, leasing, or letting of residential property for transient lodging, where the term of occupancy, possession, or tenancy is less than thirty (30) consecutive calendar days."

SECTION 2: Section 19.04.756 of Chapter 19.04 (Definitions) of the Imperial Beach Municipal Code is added to read as follows.

"19.04.756. Time share.

'Time share' means property in which a number of parties possess a right to the exclusive use of the property, or a portion of the property, for a specified recurring period of time."

SECTION 3: Subsection C of Section 19.17.020 of Chapter 19.17 (R-1500 High Density Residential Zone) of the Imperial Beach Municipal Code is added to read as follows:

Exhibit #1
City of Imperial Beach
LCPA #1-03
Approved Ordinance

- "C. Short-term rentals to which all of the following apply are permitted in the R-1500 zone until January 1, 2007;
 - 1. Appropriate returns have been filed and transient occupancy taxes have been collected and remitted to the city for all rental periods of less than thirty (30) consecutive calendar days for the period May 2, 2000, to May 2, 2001; and
 - 2. The owner of the management or agent of the owner possesses a valid city business license; and
 - 3. The City Manager has issued a provisional permit pursuant to Resolution No. 2001-5445."

SECTION 4: Paragraph 4 of subsection A of Section 19.26.020 in Chapter 19.26 (C-1 General Commercial Zone) of the Imperial Beach Municipal Code is added to read as follows:

"4. Short-term rentals."

SECTION 5: Paragraph 21 of subsection A of Section 19.27.020 in Chapter 19.27 (C-2 Seacoast Commercial Zone) of the Imperial Beach Municipal Code is added to read as follows:

"21. Short-term rentals."

SECTION 6: Paragraph 2 of subsection A of Section 19.27.140 (MU-2 Mixed Use Overlay) in Chapter 19.27 of the Imperial Beach Municipal Code is added to read as follows:

"2. Short-term rentals."

SECTION 7: Paragraph 3 of subsection B of Section 19.27.140 (MU-2 Mixed Use Overlay) in Chapter 19.27 of the Imperial Beach Municipal Code is amended to read as follows:

"3. Time share units shares."

SECTION 8: This ordinance will become effective thirty (30) days following its passage and adoption.

Appeal Process under the California Code of Civil Procedure (CCP): The time within which judicial review of a City Council decision must be sought is governed by Section 1094.6 of the CCP. A right to appeal a City Council decision is governed by CCP Section 1094.5 and Chapter 1.18 of the Imperial Beach Municipal Code.

INTRODUCED AND FIRST READ at a regular meeting of the City Council of the City of Imperial Beach, held on the 15th day of October 2003, and thereafter **PASSED AND ADOPTED** at a special meeting of the City Council of the City of Imperial Beach, California, held on the 5th day of November 2003 by the following roll call vote:

AYES:

COUNCILMEMBERS:

WINTER, JANNEY, MCCOY, ROGERS, ROSE

NOES:

COUNCILMEMBERS:

NONE

ABSENT:

COUNCILMEMBERS:

NONE

Diane Rose
DIANE ROSE, MAYOR

ATTEST:

Jacqueline M; Hald

JACQUELINE M. HALD, CITY CLERK

APPROVED AS TO FORM:

Lynn R. McDougal

LYNN R. MCDOUGAL, CITY ATTORNEY

I, City Clerk of the City of Imperial Beach, do hereby certify the foregoing to be a true and exact copy of Ordinance No. 2003-1013 - AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF IMPERIAL BEACH, CALIFORNIA, AMENDING CHPATERS 19.04, 19.17, 19.26, AND 19.27 OF TITLE 19 (ZONING ORDINANCE) OF THE MUNICIPAL CODE REGARDING SHORT-TERM RENTALS.

CITY CLERK

DATÉ

Short-Term Vacation Rental Exhibit

ORDINANCE NO. 2003-1013

CITY OF IMPERIAL BEACH LOCAL COASTAL PROGRAM AMENDMENT #1-03 REGARDING SHORT-TERM RENTALS. M.F. 560

SECTION 1: Section 19.04.692 of Chapter 19.04 (Definitions) of the Imperial Beach Municipal Code is added to read as follows:

19.04.690. Sexual encounter studio and rap parlor.

"Sexual encounter studio and rap parlor" means a business establishment wherein the patrons thereof are invited to discuss sexual matters or engage in sexual activities with an unclothed or partially unclothed person and who pay a fee for such discussion or activities. This definition shall not include therapy sessions conducted by physicians, therapists and counselors licensed and regulated by the state.

"19.04.692. Short-term rental.

'Short-term rental' means the renting, leasing, or letting of residential property for transient lodging, where the term of occupancy, possession, or tenancy is less than thirty (30) consecutive calendar days."

19.04.695. Sign.

"Sign" means any writing, pictorial representation, symbol, banner, or any other figure of similar character of whatever material which is used to identify, announce, direct attention to or advertise, which is placed on the ground, on any bush, tree, rock, wall, post, fence, building, structure, vehicle, or on any place whatsoever and which is visible from outside a building. The term "placed" shall include constructing, erecting, posting, painting, printing, tacking, mailing, gluing, sticking, carving, stringing or otherwise fastening, affixing or making visible in any way whatsoever. The term "sign" shall not be deemed to include the flag of the State of California or of the United States of America or of any other nation.

SECTION 2: Section 19.04.756 of Chapter 19.04 (Definitions) of the Imperial Beach Municipal Code is added to read as follows:

19.04.755. Tidelands.

"Tidelands" means lands which are located between the lines of mean high tide and mean low tide.

"19.04.756. Time share.

'Time share' means property in which a number of parties possess a right to the exclusive use of the property, or a portion of the property, for a specified recurring period of time."

19.04.760. Trailer.

Exhibit #2
City of Imperial Beach
LCPA #1-03
Proposed Changes in Context of Existing LCPA

"Trailer" means a vehicle including the following types:

- A. "Camp car" means a vehicle with its own motor power, which is designed for human habitation.
- B. "Camper" means a portable dwelling unit designed to be transported on a motor vehicle.
- C. "Cargo trailer" means a vehicle designed to be drawn by a motor vehicle for the purpose of transporting cargo, including a boat or livestock. See Chapter 19.68.

SECTION 3: Subsection C of Section 19.17.020 of Chapter 19.17 (R-1500 High Density Residential Zone) of the Imperial Beach Municipal Code is added to read as follows:

19.17.020. Permitted uses.

- A. The following uses are permitted in the R-1500 zone, provided that all projects containing two to four units shall be subject to the approval of a site plan review by the community development department and five or more units shall be subject to the approval of a site plan review by the planning commission:
 - Detached or attached residential dwelling units;
 - 2. Accessory buildings, structures and uses customarily incidental to any permitted use;
 - 3. Private garages to accommodate not more than four cars per dwelling unit;
 - 4. Family day care facilities as permitted in Chapter 19.64;
 - 5. Home occupations as permitted in Chapter 19.74;
 - 6. Swimming pools, spas and hot tubs as permitted in Chapter 19.70;
 - 7. Signs as permitted in Chapter 19.52;
 - 8. Satellite dish antennae as permitted in Chapter 19.71.
- B. The following uses are permitted in the R-1500 zone subject to the approval of a conditional use permit:
 - Churches;
 - 2. Day care centers;
 - 3. Library;
 - 4. Mobile home parks;
 - 5. Parks;
 - 6. Senior housing as permitted in Chapter 19.67;
 - 7. Schools.

- "C. Short-term rentals to which all of the following apply are permitted in the R-1500 Zone until January 1, 2007:
 - 1. Appropriate returns have been filed and transient occupancy taxes have been collected and remitted to the City for all rental periods of less than thirty (30) consecutive calendar days for the period May 2, 2000, to May 2, 2001: and
 - 2. The owner of the management or agent of the owner possesses a valid city business license; and
 - 3. The city manager has issued a provisional permit pursuant to Resolution No. 2001-5445."

SECTION 4: Paragraph 4 of subsection A of Section 19.26.020 in Chapter 19.26 (C-1: General Commercial Zone) of the Imperial Beach Municipal Code is added to read as follows:

19.26.020. Permitted uses.

- A. The following commercial uses (excluding light manufacturing, manufacturing or industrial uses) shall be permitted subject to subsections (C) and (D) of this section as appropriate:
 - Stores, shops and offices supplying commodities or performing services for residents of the city as a whole such as retail food stores, restaurants, department stores, specialty shops, banks, business or professional offices and other financial institutions, personal service enterprises, hotels and motels;
 - Any other retail business or service establishment which the planning commission finds to be consistent with the purposes of this chapter and which will not impair the present or potential use of adjacent properties, excluding those listed under subsection (B) below.
 - 3. Residential dwelling units may be permitted above the first floor at a maximum density of one unit per every one thousand square feet of lot area, subject to the approval of a conditional use permit and subject to subsections (B), (C) and (D) of this section as appropriate.
 - "4. Short-term rentals."
- B. The following uses are permitted subject to the approval of a conditional use permit:
 - 1. Arcades and game centers;
 - Athletic and health clubs;
 - 3. Auto mobile repair;
 - 4. Bars and cocktail lounges;
 - Body shops;
 - 6. Body piercing establishments may be permitted, subject to the approval of a conditional use permit; however, it is unlawful to establish any such body piercing establishment if the location is within one hundred feet of any property that is zoned as an R-l-

6000, R-I-3800, R-3000-D, R-3000, R-2000 or R-1500 zone, or any other area that is primarily residential in character, as evidenced by letter designation in the zoning law of the city; or within two hundred feet of any of the following:

- a. Bar, cocktail lounge, or liquor store;
- b. Body piercing establishment;
- c. Church;
- d. Educational institution or school;
- e. Public park; or
- f. Tattoo establishment.
- 7. Campsite;
- 8. Clubs and lodges;
- 9. Educational institutions for greater than thirty students;
- 10. Equipment rental yard;
- 11. Fortune telling or palm reading establishments may be permitted, subject to the approval of a conditional use permit; however, it is unlawful to establish any such fortune telling or palm reading establishment if the location is within:
 - a. One hundred feet of any property that is zoned as an R-1-6000, R-1-3800, R-3000-D, R-3000, R-2000, or R-1500 zone, or any other area that is primarily residential in character, as evidenced by letter designation in the zoning law of the city, or
 - b. Five hundred feet of any mobilehome park, manufactured housing community, or senior housing development, or
 - c. One thousand feet of any similar establishment.
- 12. Gas stations;
- 13. Incidental manufacturing;
- 14. Kennels;
- 15. Kiosks:
- 16. Liquor stores;
- 17. Mortuaries:
- 18. Palm reading or fortune telling establishments may be permitted, subject to the approval of a conditional use permit; however, it is unlawful to establish any such fortune telling or palm reading establishment if the location is within:
 - a. One hundred feet of any property that is zoned as an R-1-6000. R-1-3 800, R-3000-D, R-3000, R-2000, or R-1500 zone, or any other area that is primarily residential in

- character, as evidenced by letter designation in the zoning law of the city, or
- b. Five hundred feet of any mobilehome park, manufactured housing community, or senior housing development, or
- c. One thousand feet of any similar establishment.
- 19. Post office:
- 20. Residential dwelling units above the first floor at a maximum density of one unit per every one thousand square feet of lot area, and subject to subsections (C) and (D) of this section as appropriate;
- 21. Tattoo establishments may be permitted, subject to the approval of a conditional use permit; however, it is unlawful to establish any such tattoo establishment if the location is within one hundred feet of any property that is zoned as an R-1-6000, R-1-3800, R-3000-D, R-3000, or R-1500 zone, or any other area that is primarily residential in character, as evidenced by letter designation in the zoning law of the city; or within two hundred feet of any of the following:
 - a. Bar, cocktail lounge, or liquor store;
 - b. Body piercing establishment;
 - c. Church;
 - d. Educational institution or school;
 - e. Public park; or
 - f. Tattoo establishment.
- C. Site plan review by the planning commission will be required if any of the following applies for proposed uses located in the C-1 zone:
 - 1. All proposed commercial developments involving new construction.
 - Any addition, construction or alteration of existing buildings resulting in an increase of ten percent or greater of the gross floor area of a commercial structure or in an individual commercial space within the structure or within a commercial shopping center.
 - 3. Any proposed commercial use or structure requiring the approval of a conditional use permit.
 - 4. Any development including residential dwelling units above the first floor.
- D. Site plan review by the community development director (administrative approval) will be required if any of the following applies for proposed uses located in the C-1 zone:
 - 1. Any addition, construction or alteration of existing buildings resulting in a one-time increase of less than ten percent of the gross floor area of a commercial structure or in an individual

commercial space within the structure or within a commercial shopping center. Multiple additions to existing commercial buildings which cumulatively result in an increase of ten percent or greater of the originally approved gross floor area of a commercial building shall require site plan review by the planning commission.

- 2. Exterior facade alterations to existing buildings located on a design review corridor as identified in Section 19.83.020(A)(1).
- 3. The building or site or a portion of the building or site that is proposed to be occupied has been vacant for a period of two years or greater. (Ord. 2001-973 §§ 3--6, 2001; Ord. 2001-971 §§ 3--5, 2001; Ord. 94-884, 1994)

SECTION 5: Paragraph 21 of subsection A of Section 19.27.020 in Chapter 19.27 (C-2: Seacoast Commercial Zone) of the Imperial Beach Municipal Code is added to read as follows:

19.27.020. Permitted uses.

- A. The following commercial uses shall be permitted subject to subsections (B), (C), and (D) of this section as appropriate:
 - 1. Beach equipment rental;
 - 2. Bed and breakfast;
 - Bookstores;
 - 4. Boutiques;
 - 5. Financial institutions:
 - a. On first floor, subject to subsection (B) of this section,
 - b. All floors when located on Palm Avenue, Silver Strand Boulevard and/or Third Street.
 - Fishing supply;
 - 7. Hotels and motels;
 - 8. Personal services;
 - 9. Professional offices:
 - a. On first floor, subject to subsection (B) of this section,
 - b. All floors when located on a Palm Avenue, Silver Strand Boulevard and/or Third Street.
 - 10. Public parks;
 - 11. Resident inns;
 - 12. Real estate offices:
 - 13. Private postal services;
 - 14. Restaurants;
 - 15. Retail shops;
 - 16. Specialty shops;

- 17. Surf shops;
- 18. Any other retail business or service establishment which the city council finds to be consistent with the purposes of this chapter and which will not impair the present or potential use of adjacent properties, excluding those listed under subsection (B) of this section;
- 19. Residential dwelling units may be permitted above the first floor at a maximum density of one unit per every one thousand five hundred square feet of lot area, subject to approval of a CUP and subject to subsections (B) and (C) of this section as appropriate.
- 20. Kiosks (not to exceed twenty square feet in area each). The kiosks shall be located on public plazas or private leaseholds and shall not exceed ten locations in the Seacoast commercial zone.
- "21. Short-term rentals."
- B. The uses listed below are permitted subject to the approval of a conditional use permit. Conditional use permits for financial institutions and professional offices shall be considered, provided these uses do not exceed thirty percent of the existing commercial square footage on Seacoast Drive and intersecting residential streets. Upper floor professional offices and financial institutions are not subject to this section.
 - 1. Arcades and centers;
 - 2. Athletic and health clubs (second floor only);
 - 3. Bars and cocktail lounges;
 - 4. Liquor stores;
 - 5. Clubs and lodges;
 - 6. Commercial recreation facilities not otherwise listed:
 - 7. Educational institutions;
 - 8. Timeshares; shall be prohibited on the first floor unless twenty-five percent of the units are restricted to overnight accommodation;
 - Residential dwelling units above the first floor at a maximum density of one unit per every one thousand five hundred square feet of lot area, subject to subsections (C) and (D) of this section as appropriate;
 - 10. Financial institutions: On first floor, subject to a conditional use permit per this subsection (B);
 - 11. Professional offices: On first floor, subject to a conditional use permit per this subsection (B);
 - 12. Theaters and assemblies;
 - 13. Public parking lots.
- C. Site plan review by the City Council will be required if any of the following applies for proposed uses located in the C-2 zone:

- 1. All proposed commercial developments involving new construction:
- 2. Any addition, construction, remodeling or alteration of existing buildings resulting in an increase of ten percent or greater of the gross floor area of a commercial structure or in an individual commercial space within the structure or within a commercial shopping center;
- 3. Any proposed commercial use, residential use or structure requiring the approval of a conditional use permit;
- 4. Any development including residential dwelling units above the first floor.
- D. Site plan review by the community development director (administrative approval) will be required if any of the following applies for proposed uses located in the C-2 zone:
 - 1. Any addition, construction, remodeling or alteration of existing buildings resulting in a one-time increase of less than ten percent of the gross floor area of a commercial structure or in an individual commercial space within the structure or within a commercial shopping center. Multiple additions to existing commercial buildings which cumulatively result in an increase of ten percent or greater of the originally approved gross floor area of a commercial building shall require site plan review by the City Council;
 - Exterior facade alterations to existing buildings located on a design review corridor as identified in Section 19.83.020(A)(1) of this title.
 - The building or site or a portion of the building or site that is proposed to be occupied has been vacant for a period of two years or greater.
 - Kiosks.

SECTION 6: Paragraph 2 of subsection A of Section 19.27.140 (MU-2: Mixed Use Overlay) in Chapter 19.27 of the Imperial Beach Municipal Code is added to read as follows:

19.27.140. Seacoast commercial overlay (MU-2) zone.

The area located between Ocean Boulevard on the west, Ocean Lane on the east and between Imperial Beach Boulevard on the south and Palm Avenue on the north is designated as a commercial-residential overlay zone (MU-2). The purpose of this transition zone designation is to allow for the gradual commercial expansion in an area which is currently used for residential purposes.

- A. The following uses shall be permitted in the MU-2 overlay zone:
 - Residential.
 - Short-term rentals."

SECTION 7: Paragraph 3 of subsection B of Section 19.27.140 (MU-2: Mixed Use Overlay) in Chapter 19.27 of the Imperial Beach Municipal Code is amended to read as follows:

- B. The following uses are permitted in the MU-2 overlay zone subject to approval of a conditional use permit and subject to the development property regulations in subsection (C) of this section:
 - 1. Hotels/motels (daily rentals);
 - 2. Bed and breakfast inns;
 - "3. Time share units shares."
- C. Property development regulations.
 - 1. Residential density:
 - a. One dwelling unit for each one thousand five hundred square feet of lot area.
 - 2. Yard requirements in the MU-2 overlay zone are as follows:
 - a. Residential uses:

Ocean Lane: five feet.

Side yard: five feet.

Ocean Boulevard (Beach): ten feet.

b. Commercial uses with approval of a conditional use permit:

Ocean Lane: zero feet.

Side yard: fifteen feet.

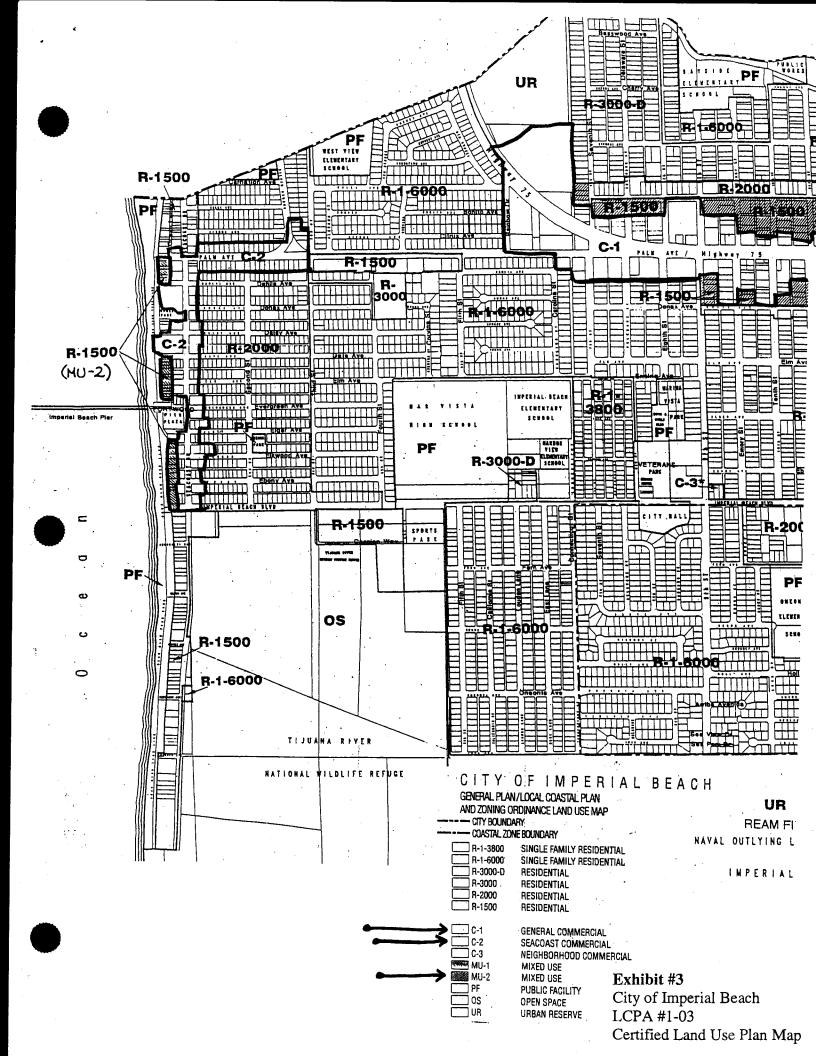
Ocean Boulevard (Beach): ten feet.

c. Height:

Residential Uses. Two stories or twenty-six feet, whichever is less.

Commercial Uses. Three stories or thirty feet, whichever is less and subject to approval of a conditional use permit.

3. Conditional Use Permit. Conditions for the conditional use permit may include, but shall not be limited to requirements for special yards, open spaces, buffers, fences, walls, and screening; requirements for installation and maintenance of landscaping and erosion control measures; requirements for street improvements and dedications, regulations of vehicular ingress and egress and traffic circulation; regulations of signs; regulations of hours of operation; establishment of development schedules or time limits for performance or completion; requirements for periodic review; and such other conditions as may be deemed necessary to ensure compatibility with existing surrounding uses, and to preserve the public health, safety and welfare. (Ord. 94-884, 1994)



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SANDPIPER CONDOMINIUMS HOMEOWNERS ASSOCIATION BOARD OF DIRECTORS 1442 Seacoast Drive, Imperial Beach, CA 91932

January 22, 2004

California Coastal Commission San Diego Coast District 7575 Metropolitan Drive San Diego, CA 92108-4402

Subject: City of Imperial Beach Ordinance No. 2003-1013 Commercial Activity in Residential Areas

Greetings:

The Sandpiper Condominiums Homeowners Association strongly supports the subject ordinance because it will prevent the proliferation of short-term rental activity in our immediate neighborhood, the South Seacoast Drive community. There are a number of reasons:

Following numerous public hearings, our City Council passed the subject ordinance with the overwhelming support of the residents of Imperial Beach since the ordinance in question is well considered and reasonable. This local zoning action by the elected representatives of our municipality should be respected by the Commission.

The members of the Sandpiper HOA all purchased their units with the expectation that short-term rentals would not be permitted either in our building or in the neighborhood.

Short-term rental activity undermines the safety and security of the neighborhood due to the greatly increased numbers of visitors, increased traffic, noise, litter, public drinking and other behavior associated with partying and vacationing as our members have observed in commercial beachfront areas of San Diego, including central Imperial Beach.

The above concern is important to us because most of us have children or grandchildren who reside in or frequently visit our building and neighborhood, and we do not want their safety and security or ours compromised as a result of these side effects of short-term vacation activity.

The Tijuana River Estuary, a National Wildlife Reserve, which is unique to South Seacoast Drive, would also be adversely affected by the side effects of short-term rental activity increases in traffic, litter, trespassing into the reserve and pollution.

For these and other reasons we urge your approval of the subject ordinance.

Sincerely,

Greg Fischer

Secretary/Treasurer

Exhibit #4
City of Imperial Beach
LCPA #1-03
Letter of Support