

CALIFORNIA COASTAL COMMISSION

SOUTH CENTRAL COAST AREA
89 SOUTH CALIFORNIA ST., SUITE 200
VENTURA, CA 93001
(805) 585-1800



Th8b

DATE: November 17, 2016

TO: Commissioners and Interested Persons

FROM: Steve Hudson, Deputy Director
Barbara Carey, District Manager
Jordan Grace, Coastal Program Analyst

SUBJECT: City of Carpinteria Local Coastal Program Amendment No. LCP-4-CPN-16-0024-1 for Public Hearing and Commission Action at the December 8, 2016 Commission Meeting at the Ventura City Council Chambers.

DESCRIPTION OF THE SUBMITTAL

The City of Carpinteria ("City") is requesting an amendment to the Implementation Plan (IP) component of its certified Local Coastal Program (LCP) to add regulations to address Short-term Rentals. As part of this amendment, the City proposes to define short-term rentals as the rental of a residential unit for a period of thirty (30) consecutive calendar days or less. It also distinguishes between, and defines, two different types of short-term rentals: Vacation Rentals and Home Stays. A vacation rental is defined as the rental of an entire residential unit, during which the owner of the unit is not present for the entire rental period. A home stay is defined as the rental of a portion of a residential unit, during which the owner of the unit is present for the entire rental period. Both types of rentals would require property owners to obtain a license from the City to operate.

The LCP Amendment would also add the Vacation Rental Overlay District which would apply to the City's Beach Neighborhood (excluding Sandpiper Mobile Home Park). This area of the City is closest to coastal recreation areas (Carpinteria City Beach, and Carpinteria State Beach), and the City's commercial core along Linden Avenue. This area is also where the majority of short term rentals already exist. Vacation rentals would be established as an allowed use, but only within this Vacation Rental Overlay District. Within this area the total number of vacation rental licenses would be capped at slightly above the current number of existing licenses, to allow for a small increase in the number of vacation rentals over time. Maximum occupancy and parking requirements would be established by the City on a case by case basis through its approval of each license. Occupancy limits set forth could not exceed two (2) people per unit, plus two (2) people per bedroom (defined as a room that is designed to be used as a sleeping room and for no other primary purpose). Also, the City would take into consideration the number of parking spaces on site when determining the allowed number of vehicles at a vacation rental.

Home stays would be established as an allowed use in the R-1 Single-Family Residential, Planned Unit Development, and Planned Residential Development Zone Districts. Essentially, these are the districts within the City of Carpinteria that are zoned for residential development. Maximum occupancy for a home stay would be set at four (4) people. In addition, each home stay would be limited to one (1) vehicle.

The City of Carpinteria submitted Local Coastal Program Amendment LCP-4-CPN-16-0024-1 to the Commission on May 17, 2016. After the submittal of additional information requested by Commission staff, the amendment proposal was deemed complete on August 17, 2016. At the October 6, 2016 hearing, the Commission granted a one year time extension to act on the subject amendment pursuant to Coastal Act Section 30517 and California Code of Regulations, Title 14, Section 13535(c).

SUMMARY OF STAFF RECOMMENDATION

Commission staff recommends that the Commission **approve** the proposed City of Carpinteria LCP Amendment No. LCP-4-CPN-16-0024-1 as submitted. No modifications are necessary because the proposed amendment to the IP, as submitted, conforms with and is adequate to carry out the provisions of the certified Land Use Plan. The motions to accomplish this recommendation are found on **Page 5** of this staff report.

The proposed amendment 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. The regulations proposed are appropriate to avoid any adverse impacts associated with the allowance of lodging in residential areas, while ensuring that visitor serving overnight accommodations are allowed. The proposed amendment to the City's certified IP conforms to and is adequate to carry out the public access and recreation policies of the certified land use plan. As such, staff recommends that the Commission approve Local Coastal Program Amendment LCP-4-CPN-16-0024-1 as submitted.

<p>Additional Information: For further information, please contact Jordan Grace at the South Central Coast District Office of the Coastal Commission at (805) 585-1800. The proposed amendment to the City of Carpinteria Local Coastal Program (LCP) is available for review at the Ventura Office of the Coastal Commission.</p>

TABLE OF CONTENTS

I. PROCEDURAL ISSUES.....	4
A. STANDARD OF REVIEW	4
B. PUBLIC PARTICIPATION	4
C. PROCEDURAL REQUIREMENTS	4
II. STAFF RECOMMENDATION, MOTION, & RESOLUTION ON THE IMPLEMENTATION PLAN AMENDMENT	5
A. DENIAL OF THE IMPLEMENTATION PLAN AMENDMENT AS SUBMITTED	5
III. FINDINGS FOR APPROVAL THE IP AMENDMENT AS SUBMITTED	5
A. AMENDMENT DESCRIPTION AND BACKGROUND	6
B. CONSISTENCY ANALYSIS	8
1. <i>Short-Term Rentals</i>	10
2. <i>Conclusion</i>	12
C. CALIFORNIA ENVIRONMENTAL QUALITY ACT	12

EXHIBITS

Exhibit 1.	<u>Overview Map</u>
Exhibit 2.	<u>Vicinity Map</u>
Exhibit 3.	<u>Carpinteria City Ordinance No. 708</u>
Exhibit 4.	<u>Comment Letter from Eileen Mira</u>

I. PROCEDURAL ISSUES

A. STANDARD OF REVIEW

The Coastal Act provides:

The local government shall submit to the Commission the zoning ordinances, zoning district maps, and, where necessary, other implementing actions that are required pursuant to this chapter...

...The Commission may only reject ordinances, zoning district maps, or other implementing action on the grounds that they do not conform with, or are inadequate to carry out, the provisions of the certified land use plan. If the Commission rejects the zoning ordinances, zoning district maps, or other implementing actions, it shall give written notice of the rejection, specifying the provisions of the land use plan with which the rejected zoning ordinances do not conform, or which it finds will not be adequately carried out, together with its reasons for the action taken. (Section 30513)

The Commission may suggest modifications... (Section 30513)

The standard of review for the proposed amendment to the Implementation Plan (Coastal Zoning Ordinance) of the certified Local Coastal Program, pursuant to Section 30513 and 30514 (regarding amendments) of the Coastal Act, is whether the Implementation Plan would be in conformance with, and adequate to carry out, the provisions of the Land Use Plan (LUP) portion of the City of Carpinteria's certified Local Coastal Program.

B. PUBLIC PARTICIPATION

Section 30503 of the Coastal Act requires public input in preparation, approval, certification and amendment of any LCP. The City Planning Commission held public hearings on the subject of this amendment request on December 7, 2015; January 4, 2016; March 2, 2016; and March 21, 2016. Additional public hearings were held with the City Council on August 10, 2016; October 26, 2015; November 23, 2016; February 8, 2016; and April 25, 2016. The hearings were noticed to the public consistent with Sections 13551 and 13552 of Title 14 of the California Code of Regulations. Notice of the subject amendment has been distributed to all known interested parties.

C. PROCEDURAL REQUIREMENTS

Pursuant to Section 13551(b) of Title 14 of the California Code of Regulations, the City resolution for submittal may specify that a Local Coastal Program Amendment will either require formal local government adoption after the Commission approval, or that it is an amendment that will take effect automatically upon the Commission's approval pursuant to Public Resources Code Sections 30512, 30513, and 30519. In this case, if the Commission certifies the LCP amendment as submitted, no further City Council action will be necessary. City staff has

indicated that the ordinance will only become final after certification by the Commission, but no formal action is required. Should the Commission deny the LCP Amendment, as submitted, without suggested modifications, no further action is required by either the Commission or the City, and the LCP amendment is not effective.

II. STAFF RECOMMENDATION, MOTION, & RESOLUTION ON THE IMPLEMENTATION PLAN AMENDMENT

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

A. DENIAL OF THE IMPLEMENTATION PLAN AMENDMENT AS SUBMITTED

Motion:

*I move that the Commission **reject** City of Carpinteria Implementation Plan Amendment LCP-4-CPN-16-0024-1 as submitted.*

Staff recommends a **NO** vote. Failure of this motion will result in certification of the Implementation Plan amendment LCP-4-CPN-16-0024-1 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:

The Commission hereby **certifies** the City of Carpinteria Implementation Plan Amendment LCP-4-CPN-16-0024-1 as submitted and adopts the findings set forth below on grounds that the Implementation Plan amendment conforms with, and is adequate to carry out, the provisions of the certified Land Use Plan. Certification of the Implementation Plan 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 Plan amendment 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.

III. FINDINGS FOR APPROVAL OF THE IP AMENDMENT AS SUBMITTED

The following findings support the Commission's approval of the proposed Implementation Plan Amendment as submitted. The Commission hereby finds and declares as follows:

A. AMENDMENT DESCRIPTION AND BACKGROUND

The City of Carpinteria (“City”) is requesting an amendment to the Implementation Plan (IP) component of its certified Local Coastal Program (LCP) with regard to Short-term Rentals. These proposed changes are described in detail below. The ordinance language is attached as **Exhibit 3**.

Additional Definitions

The City proposes to add four definitions to Chapter 14.08 of the IP: Home Stay, Residential Unit, Short-Term Rental, and Vacation Rental.

Section 14.08.562 defines a “Short-Term Rental” as the rental of a residential unit for a period of thirty (30) consecutive calendar days or less, and states that it is subject to all applicable city land use regulations, permit-licensing requirements, and payment of fees and/or taxes, including transient occupancy tax. It also states that short-term rentals include both vacation rentals and home stays. In addition, it states that tents, yurts, and RV’s are not allowed as part of a short-term rental.

Section 14.08.627 defines a “Vacation Rental” as a type of short-term rental where the owner does not remain in the residential unit for the entire rental period. It also states that a vacation rental typically includes the rental of an entire dwelling or premises. In addition, it clarifies that a vacation rental does not include time shares, home stays, or home exchanges, and that tents, yurts, and RV’s are not allowed as part of a vacation rental.

Section 14.08.312 defines a “Home Stay” as a type of short-term rental where the owner remains in the residential unit during the entire rental period. In addition, it clarifies that a home stay does not include the hosting of personal guests, home exchanges, or vacation rentals, and that tents, yurts, and RV’s are not allowed as part of a home stay rental.

Lastly, Section 14.08.541 defines a “Residential Unit” as a building or portion thereof designed for or occupied in whole or in part, as a home, residency, or sleeping place, either permanently or temporarily, and that there is no more than one kitchen per residential unit. In addition, it clarifies that the definition for residential unit does not include a hotel or boarding house, lodging house or motel. It also states that a residential unit includes the terms dwelling unit and housing unit.

New Overlay

The City proposes to add a Vacation Rental Overlay map and to add the Vacation Rental overlay to the list of overlay districts found in Section 14.04.060. This area would be the only location in the City where Vacation Rentals are allowed. The overlay (shown in **Exhibit 2**) encompasses the majority of the City’s Beach Neighborhood and is bordered by the Union Pacific railroad tracks to the north, Linden Avenue to the east, Carpinteria City Beach to the south, and the Carpinteria Salt Marsh to the west. The Sandpiper Mobile Home Park would be excluded from the overlay.

Additionally, the City proposes to add the Ellinwood Parcel, Transportation Corridor Wetland, and Whitney Site overlays to Section 14.04.060. These overlay districts were created by

previously certified LCP amendments; however, they were never added to the reference chart in this section (14.04.060).

Vacation Rentals

The City proposes to add Chapter 14.47 (Vacation Rental Overlay District), to establish Vacation Rentals as an allowable use only within the Vacation Rental Overlay District, and to provide standards for the licensing and operation of vacation rentals within the overlay area. Within the overlay area, the provisions of Chapter 14.47 will apply in addition to the other applicable LIP provisions. The subject ordinance provides that if any of the provisions of the overlay district conflict with provisions of the specific district regulations, the provisions that are most restrictive shall govern.

This new chapter details a number of administrative details regarding application requirements and operating standards. It also establishes maximum occupancy standards, which do not allow more than two occupants per unit, plus two occupants per bedroom (defined as a room that is designed to be used as a sleeping room and for no other primary purpose). Parking requirements for each license will be set on a case-by-case basis by the City, and will take into account the number of available on-site parking spaces for the unit.

This Chapter would also impose the following caps on the number of vacation rentals allowed in each of the sub-areas (A, B, C, D) shown on the Vacation Rental Overlay District map:

- Area A: Fifty-five (55) vacation rentals
- Area B: One Hundred Fifteen (115) vacation rentals
- Area C: Thirty (30) vacation rentals
- Area D: Eighteen (18) vacation rentals

The City's proposed caps are set slightly higher than the current number of existing vacation rental licenses to allow for the approval of some additional vacation rentals in the future.

This proposal would create 35 non-conforming vacation rentals that are currently licensed outside the Vacation Rental Overlay area. To address this issue, the City included amortization provisions in Chapter 14.47, which shall automatically terminate nonconforming vacation rental licenses within five (5) years of the effective date of this chapter (should the vacation rental satisfy the nonconforming requirements set forth).

In addition, the City proposes to update Chapter 14.14 (PRD Planned Residential Development District), to add vacation rentals (within the vacation rental overlay district) as a permitted use, which supports the purpose/intent of this newly proposed Chapter.

Home Stays

The City proposes to add Chapter 14.52 (Home Stays), to establish home stays as an allowed use in the R-1 Single-Family residential, Planned Unit Development, and Planned Residential Development Zone Districts. This new chapter also details a number of administrative policies regarding application requirements and operating standards. It also establishes maximum

occupancy standards, which limit the number of guests per home stay to four (4). In addition, home stay occupants are limited to one (1) vehicle.

Lastly, the City proposes to update Chapters 14.12 (R-1 Single-Family Residential District), 14.14 (PRD Planned Residential Development District), and 14.16 (PUD Planned Unit Development District) to add home stays as an allowed use, which supports the purpose/intent of this newly proposed Chapter.

Background

Historically, Short-term Rentals have operated in the City's multi-family zone districts, and in some cases have existed since before the City's incorporation in 1965. The City considers the operation of a short-term rental as a commercial activity, and has historically required a Business License and a Transient Occupancy Tax (TOT) Registration Certificate for operation of short-term rentals in multifamily and commercial zones. As such, the City has maintained detailed information about the existence and location of short-term rentals that have operated in compliance with these requirements.

Recently, the City has noted a numeric and geographic increase in the number and location of short-term rentals. There was concern about the potential adverse impacts to residential neighborhoods that could result from the unregulated growth of short term rentals. In order to minimize these impacts in the short-term, the City passed a moratorium on issuance of new vacation rental licenses until short-term rental regulations can be implemented.

To address these issues, the City of Carpinteria initiated an amendment to its certified Local Coastal Program. Numerous public hearings were held before the Carpinteria Planning Commission and City Council. The approved subject LCP Amendment was submitted to the Commission on May 17, 2016. After the submittal of additional information requested by Commission staff, the amendment proposal was deemed complete and filed on August 17, 2016. At the October 6, 2016 hearing, the Commission granted a one year time extension to act on the subject amendment pursuant to Coastal Act Section 30517 and California Code of Regulations, Title 14, Section 13535(c).

B. CONSISTENCY ANALYSIS

City of Carpinteria Land Use Plan Policy 1a states:

The policies of the Coastal Act (Public Resources Code Section 30210 through 30263) are hereby incorporated by reference (and shall be effective as if included in full herein) as guiding policies of the land use plan.

California Coastal Act Policy 30213 states:

Lower cost visitor and recreational facilities shall be protected, encouraged, and, where feasible, provided. Developments providing public recreational opportunities are preferred. The commission shall not: (1) require that overnight room rentals be fixed at an amount certain for any privately owned and operated hotel, motel, or other similar visitor-serving facility located on either public or private lands; or (2) establish or approve any method for the identification of low or moderate income persons for the purpose of determining eligibility for overnight room rentals in any such facilities.

California Coastal Act Policy 30222 states:

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

City of Carpinteria Land Use Plan Policy 3j states:

Ensure that the Zoning Ordinance contains applicable zoning districts to provide consistent implementation of the Land Use categories

City of Carpinteria Land Use Plan Objective 5 states:

Maintain availability of agriculture, coastal-dependent industry and visitor-serving commercial development including hotels/motels, restaurants and commercial recreation uses.

City of Carpinteria Land Use Plan Policy 5a states:

The City shall continue to give priority to agriculture, coastal-dependent industry and visitor-serving commercial recreational facilities designed to enhance the public opportunities for coastal recreation over residential, general industrial, or general commercial development.

City of Carpinteria Land Use Plan Policy 5c states:

The City shall prohibit the removal or conversion of visitor-serving development unless it will be replaced by development offering comparable visitor-serving opportunities.

As described above, the standard of review for the proposed amendment to the Implementation Plan of the certified Local Coastal Program, pursuant to Section 30513 and 30514 (regarding amendments) of the Coastal Act, is whether the Implementation Plan would be in conformance with, and adequate to carry out, the provisions of the Land Use Plan (LUP) portion of the City of Carpinteria's certified Local Coastal Program.

The City of Carpinteria Land Use Plan (LUP) includes policy language that protects lower cost visitor and recreational facilities, prioritizes visitor-serving recreational facilities, and prohibits removal or conversion of visitor-serving development. The LUP also includes several policies that protect coastal resources, including public access. Visitor-serving overnight accommodation uses are given preference in the LUP because this maximizes the opportunities provided for the public to access the coast.

The Commission has found that short term vacation rentals, including those in residential areas, can provide an important visitor serving asset. They can increase public access to the coast, opening up a trip to the coast for many families that might not otherwise be able to afford more expensive hotel options. In addition, they can provide local jurisdictions with increased revenues. The Commission has found that prohibition of such short term vacation rentals will restrict lodging opportunities, particularly lower-cost opportunities, for coastal visitors, thereby adversely impacting public access to beaches and shoreline areas.

1. Short-Term Rentals

While short term rentals have been available in the City of Carpinteria (**Exhibit 1**) since prior to its incorporation in 1965, the number and geographic location of short term rentals has expanded in recent years, which can increase the potential for negative effects on some residential neighborhoods. The City Council found that while short term rentals serve as an important lodging resource and contribute to the local economy, they can have negative impacts on the character of residential neighborhoods and the availability of housing. To address these issues while still allowing this visitor serving use, the City has proposed an amendment which regulates short-term rentals through a number of mechanisms (detailed above), and establishes such rentals as allowed uses (with certain caveats). The proposed amendment includes provisions and regulations related to short-term rentals that are consistent with the goals and objectives of the City's LUP.

A short term rental is defined as the rental of a residential unit for a period of thirty (30) consecutive days or less, and it includes both Vacation Rentals (rental of an entire residential unit) and Home Stays (rental of a portion of an entire residential unit). As proposed, vacation rentals would be restricted to the Beach Neighborhood, which is the area of the City closest to coastal recreation areas (Carpinteria City Beach, and Carpinteria State Beach) and the City's commercial core along Linden Avenue (**Exhibit 2**). This area is also where the majority of such rentals already exist. Doing so creates approximately 35 non-conforming vacation rentals in other areas of the City. The proposed LCPA provides for these uses to be phased out and amortized over a five year period. The addition of home stays as an allowed use in residential zones throughout the City's residential neighborhoods will create a net increase in visitor-serving

assets, and offer comparable visitor-serving opportunities. The establishment of vacation rentals (within the vacation rental overlay district) and home stays (throughout the City) as allowed uses maintains the availability of visitor-serving overnight accommodations.

The proposed amendment caps the number of vacation rentals allowed within the vacation rental overlay district. As described above, the City's proposed caps are set slightly higher than the current number of existing vacation rental licenses to allow for some growth in the number of vacation rentals over time. The proposed amendment also creates maximum occupancies and parking restrictions tied to the short term rental license issued to an owner of a vacation rental. Maximum occupancies and parking limitations are also applied to home stays. Such limitations are appropriate to avoid any adverse impacts associated with the allowance of lodging in residential areas. Additionally, ensuring that adequate offstreet parking is available for short term renters will avoid impacts to the availability of public onstreet parking for day-use of beach areas.

The Commission recognizes that short term vacation rentals can result in a number of adverse impacts, including loss of affordable housing, enforcement issues, altered residential neighborhood character, and parking and transportation impacts. In past actions the Commission has endorsed and approved provisions by local governments that regulate the manner in which short-term rentals are implemented, including but not limited to: caps on vacation rentals within designated geographic areas, limits to maximum occupancy of individual units, parking limits, licensing requirements, short term rental signage requirements, provisions for a dispute resolution process, and requirements for onsite management or contacts. The proposed amendment includes all of these regulation tools listed, which are proposed to be applied in a way that is similar to the regulatory solutions previously approved by the Commission in other LCPs.

Staff has received one public comment letter (**Exhibit 4**) stating their objection to the cap on vacation rental licenses in the Vacation Rental Overlay District and that a cap impacts both property rights and property value, but these comments do not raise any LCP consistency issues. In addition, the commenter mentions that parking is limited in the area; however, the proposed ordinance accounts for the need to ensure that vacation rental visitors don't impact on-street public parking by having the city determine, on a case-by-case basis, how many vehicles vacation rental visitors may bring with them.

The proposed amendment 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. In addition, the proposed changes to the zoning code do not conflict with the provision of priority land uses identified in the LUP, nor do the proposed changes raise issue with regard to the public access policies of the LUP. Therefore, the Commission finds that the subject sections of the proposed amendment, as submitted, conform to and are adequate to implement the LUP policies.

2. Conclusion

It is a goal of the City's certified LUP to protect visitor-serving recreational facilities, in addition to coastal resources, including public access, within the City. The proposed amendment strikes a balance between ensuring availability of short-term rentals for coastal visitors and providing long-term housing for local residents. In conclusion, the proposed amendment to the IP will be fully adequate to carry out the certified land use plan for the above-stated reasons and is approved as submitted. No suggested modifications are needed for the proposed IP amendment to be approved as being consistent with and adequate to carry out the certified land use plan.

C. CALIFORNIA ENVIRONMENTAL QUALITY ACT

California Public Resources Code (PRC) Section 21080.9 - within the California Environmental Quality Act (CEQA) - exempts local governments from the requirement of preparing an environmental impact report (EIR) in connection with their adoption of a local coastal program (LCP). Instead, the CEQA responsibilities are assigned to the Coastal Commission. However, because the California Natural Resources Agency found the Commission's LCP review and approval program to be functionally equivalent to the EIR process—see 14 C.C.R. Section 15251(f)—PRC Section 21080.5 relieves the Commission of the responsibility to prepare an EIR for its approval of LCP amendments. Nevertheless, some elements of CEQA continue to apply to this review process.

Specifically, pursuant to CEQA and the Commission's regulations (see 14 C.C.R. Sections 13540(f), 13542(a), and 13555(b)), the Commission's certification of this LCP amendment must be based in part on a finding that it meets the CEQA requirements listed in PRC Section 21080.5(d)(2)(A). That section requires that the Commission not approve or adopt an LCP:

...if there are feasible alternatives or feasible mitigation measures available which would substantially lessen any significant adverse effect which the activity may have on the environment.

The Local Implementation Plan amendment has been found to be in conformity with, or adequate to carry out, the provisions of the Land Use Plan portion of the certified LCP. The Commission finds that approval of the LCP amendment will not result in significant adverse environmental impacts within the meaning of the California Environmental Quality Act.

The Commission finds that for the reasons discussed in this report, there are no additional feasible alternatives or feasible mitigation measures available that could substantially reduce any significant adverse environmental impacts. The Commission thereby finds that the proposed LCP amendment is consistent with CEQA.

Exhibit 1
LCP-4-CPN-16-0024-1
Overview Map

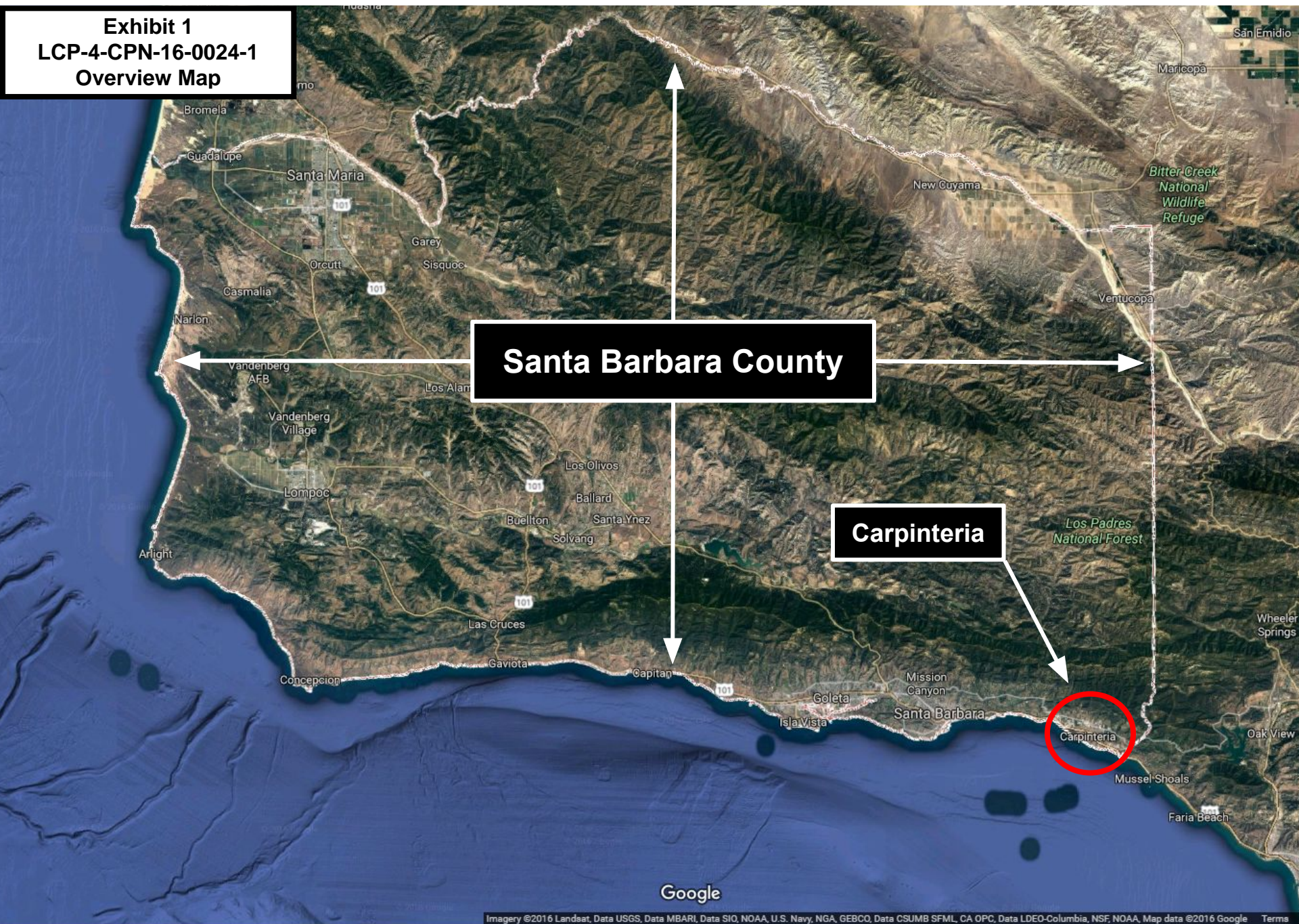
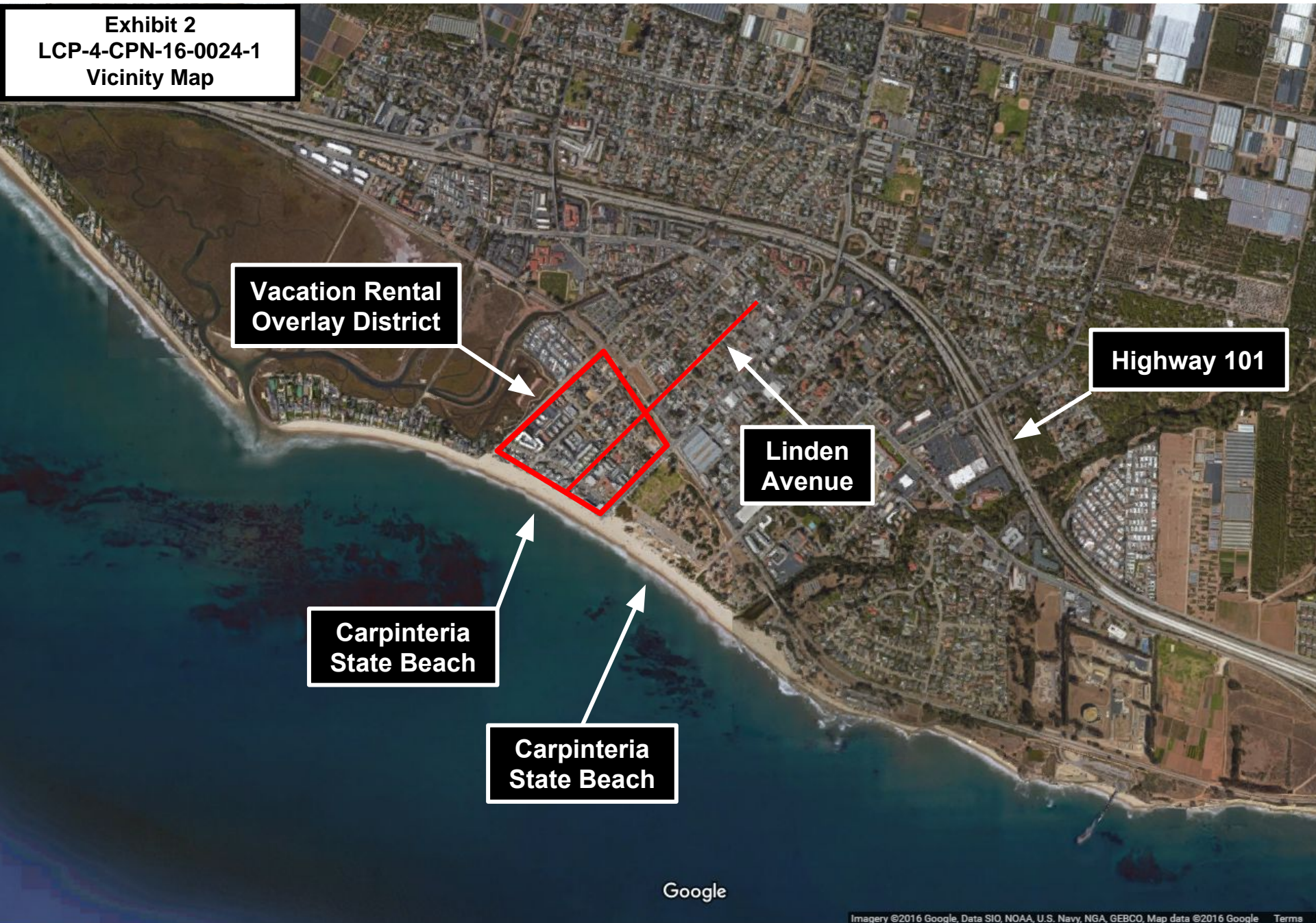


Exhibit 2
LCP-4-CPN-16-0024-1
Vicinity Map



**Vacation Rental
Overlay District**

Highway 101

**Linden
Avenue**

**Carpinteria
State Beach**

**Carpinteria
State Beach**

Google

MAY 17 2016

ORDINANCE NO. 708

California Coastal Commission
South Central Coast District

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF CARPINTERIA,
CALIFORNIA, AMENDING TITLE 14 (ZONING) OF THE CARPINTERIA
MUNICIPAL CODE TO CREATE THE VACATION RENTAL OVERLAY DISTRICT
AND ADDING AND AMENDING ZONING REGULATIONS PERTAINING TO THE
ESTABLISHMENT AND OPERATION OF SHORT-TERM RENTALS.**

WHEREAS, due to the growth in the number of residential units being converted to short-term rentals throughout the City of Carpinteria ("City") and concern over identified negative impacts associated with short-term rental use, on August 10, 2015, the City Council initiated an amendment to the Carpinteria Municipal Code pertaining to short-term rental use; and

WHEREAS, the City Council has determined that short-term rentals are having negative impacts on the quality and character of the City's residential neighborhoods and on the availability and affordability of housing; and

WHEREAS, protection of the City's housing stock for long-term residency is important to local workforce housing supporting the City's economy, including the hospitality and agricultural industries; and

WHEREAS, the City Council has determined that short-term rentals serve as an important lodging resource in the City, by providing an expandable lodging inventory, contributing to growth in the retail/restaurant business sector of the local economy and associated tax revenues; and

WHEREAS, the City Council's consideration of Project 15-1785-LCPA/ORD reflects the Council's commitment to maintaining a balance between preserving the availability of long-term rental housing for the local workforce and promoting appropriate opportunities for visitor-serving accommodations within the Coastal Zone, consistent with Coastal Act Section 30213 and 30222; and

WHEREAS, because Title 14, Zoning, of the Carpinteria Municipal Code does not clearly state that short-term rentals are permitted uses within neighborhoods designated for multi-family residential uses, the City Council wishes to clearly delineate the zones within which short-term rentals are authorized in order to maintain the balance referenced above; and

WHEREAS, pursuant to its police powers, the City has the authority to enact laws which promote the public health, safety and general welfare of its residents; and

WHEREAS, the regulation of short-term rental use is consistent with both State law, which recognizes the vital role local governments play in the supply and affordability of housing, and City Housing Element policies, which, in part, call for maintenance and preservation of the City's residential housing stock; and

WHEREAS, the establishment of an appropriate City regulatory program can best address negative impacts being experienced in the City due to short-term rentals; and

WHEREAS, the establishment of an appropriate City regulatory program preserves opportunities for public access to Carpinteria as a visitor destination; and

WHEREAS, the City has licensed 218 vacation rentals, as of the date of this Ordinance, which operate legally in the Planned Residential Development Zone District. The City estimates that up to 50 vacation rentals and home stays operate illegally, some of which are located in the Single-Family Residential Zone District. The City's Code Compliance Division has sent seven property owners letters regarding compliance concerns for unpermitted vacation rentals in the Single-Family Residential Zone District. Concerns regarding neighborhood compatibility of vacation rentals has been raised in the Single-Family Residential Zone District; and

WHEREAS, the City Council adopted Urgency Ordinances 705 and 706 implementing and extending a moratorium on issuance of licenses for new short-term rentals in order to study, develop and consider regulations for short-term rental uses in the City; and

WHEREAS, on December 7, 2015 and January 4, 2016, the Planning Commission of the City of Carpinteria ("Planning Commission") heard a report from City staff and reviewed draft short-term rental regulations that would establish geographic boundaries and a quantitative cap, limiting the location and maximum number of short-term rentals that may be permitted, and that would establish permitting and operating standards for short-term rentals; and

WHEREAS, on February 8, 2016, the City Council of the City of Carpinteria ("City Council") heard a report from City staff and reviewed draft short-term rental regulations that would establish geographic boundaries and a quantitative cap, limiting the location and maximum number of short-term rentals that may be permitted, and that would establish permitting and operating standards for short-term rentals. The City Council gave staff direction to return to the Planning Commission for further deliberation on the geographic boundary, quantitative cap, amortization period, and home stay occupancy and parking limits; and

WHEREAS, on March 2, 2016 and March 21, 2016, the Planning Commission of the City of Carpinteria ("Planning Commission") heard a report from City staff and reviewed draft short-term rental regulations that would establish geographic boundaries and a quantitative cap, limiting the location and maximum number of short-term rentals that may be permitted, and that would establish permitting and operating

standards for short-term rentals. The Planning Commission considered modifications to the geographic boundary, quantitative cap, amortization period, and home stay occupancy and parking limits. The Planning Commission recommended denial of the draft short-term regulations and stated that they supported a larger overlay boundary and expressed concern about the number of non-conforming vacation rentals; and

WHEREAS, on April 25, 2016, the City Council of the City of Carpinteria heard a report from City staff and reviewed draft short-term rental regulations that would establish well-defined geographic boundaries within which short-term rentals would be authorized and a quantitative cap, limit the location and maximum number of short-term rentals that may be permitted, and establish permitting and operating standards for short-term rentals. The City Council considered the comments and concerns of the Planning Commission and the public; and

WHEREAS, after a duly noticed public hearing on April 25, 2016, the City Council recommended approval of Ordinance 708; and

WHEREAS, it has been determined that regulating short-term rental use as included in this ordinance is consistent with the City's General Plan and Coastal Land Use Plan.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF CARPINTERIA DOES HEREBY ORDAIN AS FOLLOWS:

SECTION 1. INCORPORATION OF RECITALS

The City Council hereby finds and determines that the foregoing recitals, which are incorporated herein by reference, are true and correct.

SECTION 2. ADOPTION OF VACATION RENTAL OVERLAY DISTRICT MAP

Pursuant CMC 14.04.070, Exhibit 1, attached to and made a part of this ordinance, delineates the boundaries of the Vacation Rental Overlay District.

SECTION 3. AMENDMENT OF TITLE 14 OF CARPINTERIA MUNICIPAL CODE

Chapter 14.04, of Title 14 of the Carpinteria Municipal Code is hereby amended (in part) to read as follows:

14.04.060 - Overlay districts.

1. In addition to the regulations governing the foregoing districts, the following overlay districts and the symbols used to represent them on the official zoning maps are established as follows:

Coastal Appeals Area	CA
<u>Ellinwood Parcel</u>	<u>Ellinwood</u>
Environmentally Sensitive Habitat	ESH
Flood Hazard Area	FH
Residential	R
Specific Plan	S
<u>Transportation Corridor Wetland</u>	<u>TCW</u>
<u>Vacation Rental</u>	<u>VR</u>
Visitor-Serving/ Highway Commercial	V
<u>Whitney Site</u>	<u>Whitney</u>

2. The regulations of the overlay district shall apply to the land in the same manner as specific district regulations. Overlay regulations shall apply wherever the symbol and the boundaries of the area are shown on the official zoning maps. When a symbol for an overlay district is added to a district symbol, the provisions of the overlay district shall be effective in addition to the applicable district regulations. If any of the provisions of the overlay district conflict with provisions of the specific district regulations, the provisions which are most restrictive shall govern.

Chapter 14.47 Vacation Rental Overlay District, is hereby added to Title 14 of the Carpinteria Municipal Code to read as follows:

CHAPTER 14.47 – Vacation Rental Overlay District

- 14.47.010 Purpose and Intent**
- 14.47.020 Applicability**
- 14.47.030 License Required**
- 14.47.040 Permitted Uses**
- 14.47.050 Location Criteria**
- 14.47.060 Applicability of Underlying Residential District**
- 14.47.070 Application Requirements**
- 14.47.080 Operating Standards**
- 14.47.090 Grounds for Issuance / Denial of a License**
- 14.47.100 License Form and Periods of Validity**
- 14.47.110 License Issuance and Non-transferability**
- 14.47.120 Terms of License: Expiration**
- 14.47.130 License Renewal**
- 14.47.140 Cessation of Use of a Residential Unit as a Vacation Rental**
- 14.47.150 License Revocation**
- 14.47.160 License Revocation – Hearing Required**
- 14.47.170 Appeal from Denial or Revocation of License**
- 14.47.180 License Application Fee**
- 14.47.190 Amortization of Nonconforming Vacation Rentals**
- 14.47.200 Violations**
- 14.47.210 Penalties**

- 14.47.220 Requirements Not Exclusive**
- 14.47.230 Private Action to Enforce**
- 14.47.240 Administrative Policy**

14.47.010 Purpose and Intent

The purpose of the vacation rental overlay district is to establish vacation rentals as a permitted use in the vacation rental overlay district, to specify that they are only allowed in the vacation rental overlay district, and to provide opportunity for owners of residential units to be used as vacation rentals, as defined by Carpinteria Municipal Code Section 14.08. The intent is to provide adequate transient occupancy uses in areas serving the beach and downtown and to insure that such uses are appropriately integrated with residential and commercial needs of the community. The vacation rental overlay district will allow owners of residential units to obtain a license to operate a vacation rental.

14.47.020 Applicability

The requirements of the vacation rental overlay district, as set forth in this chapter, shall apply to those parcels designated in the vacation rental overlay district, as shown on the adopted zoning map.

14.47.030 License Required

No person shall rent, offer to rent, or advertise for rent a residential unit to another person or group for a vacation rental without a license approved and issued in a manner provided for by this Chapter. Only owners of a residential unit are eligible to apply for and receive a vacation rental license. Licenses for operation of a short-term rental will be issued pursuant an administrative policy developed by the City Manager and/or his designee.

14.47.040 Permitted Uses

Uses permitted in the vacation rental overlay district are as follows:

- a. Vacation rentals;
- b. Uses, buildings and accessory structures customarily incidental to the above uses; and
- c. All other uses as defined in the underlying zoning district.

14.47.050 Location Criteria

The provisions of the vacation rental overlay district shall apply to any parcel(s) subject to the vacation rental overlay district, as shown on the City's official zoning maps.

14.47.060 Applicability of Underlying Residential District

All of the standards of the underlying residential district shall also apply to the vacation rental overlay district.

14.47.070 Application Requirements

Prior to renting, offering to rent or advertising the rental of a residential unit for a vacation rental, the property owner shall make an application to the City on a form provided by the City. The application shall be filed by the owner and include the following information:

- a. The full true name under which the business will be conducted.
- b. The address and assessor parcel number where the vacation rental is to be conducted. Where multiple units are located on the same parcel, each unit's address shall be provided on a separate application.
- c. The owner's full, true name, mailing address, email address and telephone number.
- d. In the case that a separate management company or person shall assume responsibility of the vacation rental for the owner, the management company or contact person's name, phone number, mailing address and email address shall be provided in addition to the owner.
- e. A description of any other business to be operated on the same premises, or on adjoining premises, owned or controlled by the owner and/or applicant.
- f. Certificate of insurance evidencing that the residential unit being used as a vacation rental is covered by adequate and appropriate, including and not limited to fire, hazard and liability insurance.
- g. Vacation rentals proposed on parcels with no live on-site manager, shall furnish the City with mailing labels of all neighboring owners and occupants addresses within 100 feet (neighboring residents) of the parcel boundaries of the proposed vacation rental, in a format provided by the City. Upon issuance of a vacation rental license, the City will send a written notice to neighboring residents notifying them that the premises will be used as a vacation rental and will provide the name, address, and telephone number of both the owner and the person or property manager responsible for managing the vacation rental.

- h. An affidavit stating that the residential unit meets all applicable building, health and safety standards. The affidavit shall be on a form provided by the City and shall be signed by the owner of the residential unit.

14.47.080 Operating Standards

The following minimum requirements shall apply to the operation of all vacation rentals:

- a. The owner or property manager must live or work within thirty (30) miles of the premises and be able to respond to tenant and/or public concerns about the vacation rental at all times during which a residential unit is being rented as such.
- b. All advertisements for the vacation rental shall list the City's vacation rental license number and the current transient occupancy tax rate which applies to the rental of the unit.
- c. The owner shall maintain adequate and appropriate, including and not limited to fire, hazard and liability insurance.
- d. The property shall be provided with adequate waste collection facilities at all times. Waste bins and refuse shall not be left within public view, except in proper containers for the purpose of collection on the scheduled collection day(s). The waste collection schedule and information about recycling and green waste separation and disposal shall be included in the rental agreement and posted conspicuously in the rental unit.
- e. The residential unit shall not be rented or used for events, e.g., weddings, commercial activities or sales events.
- f. Occupants of the vacation rental shall be prohibited from creating unreasonable noise or disturbances, engaging in disorderly conduct or violating provisions of federal, state or local law.
- g. At all times a unit is in use as a vacation rental, the owner's or property manager's contact information shall be posted on the outside wall near the entrance of the unit, in a format provided by the City.
- h. At all times a unit is in use as a vacation rental, a notice shall be posted on the interior of the front door of the vacation rental, in a form approved by the City, which notes the vacation rental license number, transient occupancy tax rate, property owner or property manager contact information, and any additional information as required by the City as a part of the vacation rental license.

- i. The owner shall maintain an active business license, transient occupancy tax certificate and any other applicable licenses and permits, in addition to the vacation rental license, pursuant to Carpinteria Municipal Code, at all times that the residential unit is used or advertised as a vacation rental. A copy of the business license shall be posted on the interior of the front door of the residential unit.
- j. The maximum occupancy of a vacation rental shall be determined by the City and not exceed two occupants per unit, plus two occupants per bedroom. A bedroom is a room that is designed to be used as a sleeping room and for no other primary purpose and must meet the requirements of the Carpinteria Municipal Code for such. The vacation rental license shall specify the maximum number of occupants allowed at the vacation rental.
- k. The owner shall by written agreement, limit the number of vehicles of occupants to the number designated in the vacation rental license issued by the City; the number of vehicles shall be determined by the City at the time of application, taking into consideration the number of available parking spaces on the site.
- l. A home occupation may not be conducted in any residential unit for which a license has been issued to use the residential unit as a vacation rental.
- m. The owner shall ensure that the vacation rental complies with all applicable codes regarding fire, building and safety, and all other relevant federal, state and local laws and ordinances.
- n. Availability of the rental unit to the public shall not be advertised on the premises.
- o. The City Manager shall have the authority to impose additional operating standards, applicable to all vacation rentals, as necessary, to achieve the objectives of this title. A list of all additional standards shall be maintained and on file in the Office of the City Clerk and such offices as the City Manager designates.
- p. Upon reasonable notice, each owner and agent or representative of any owner shall provide access to each vacation rental and any records related to the use and occupancy of the vacation rental to the City Manager at any time during normal business hours, for the purpose of inspection or audit to determine that the objectives and conditions of this chapter are being fulfilled.

14.47.090 Requirements for License Issuance

The City shall consider the information included in a complete application in order to determine whether the issuance of the license for the vacation rental is consistent with

the provisions of this chapter. Upon determination by the City that the following criteria have been met, the City shall approve the license:

- a. The number of licensed vacation rentals within the vacation rental overlay district do not to exceed the following area limits:
 - i. Area A, as identified on the vacation rental overlay district map adopted as part of Ordinance 708 on (date): Fifty five (55) vacation rentals;
 - ii. Area B, as identified on the vacation rental overlay district map adopted as part of Ordinance 708 on (date): One Hundred Fifteen (115) vacation rentals;
 - iii. Area C, as identified on the vacation rental overlay district map adopted as part of Ordinance 708 on (date): Thirty (30) vacation rentals;
 - iv. Area D, as identified on the vacation rental overlay district map adopted as part of Ordinance 708 on (date): Eighteen (18) vacation rentals.
- b. A license for a vacation rental use for the residential unit has not been revoked in the prior twenty-four (24) month period;
- c. The premises or residential unit is not currently the subject of an active compliance order or administrative citation for a violation of the Carpinteria Municipal Code;
- d. An administrative citation has not been issued, regarding a violation on the site, in the past twelve (12) months;
- e. The property owner has demonstrated, through an application filed to the City, the ability to meet the requirements outlined in this chapter.

14.47.100 License Form and Period of Validity

All licenses for vacation rental uses shall be made on forms furnished by the Finance Department and shall be issued for one (1) year. Licenses shall be issued for the period of time beginning on July 1st of each year and concluding on June 30th of the following year. Applications made during the year shall be issued for a prorated period to conclude on June 30th.

14.47.110 License Issuance and Non-transferability

The vacation rental license issued under this chapter shall be issued to the owner of record of the residential unit and no license may be assigned, transferred or loaned to any other person, entity, location or establishment.

14.47.120 Term of License: Expiration

The vacation rental license shall be personal to the applicant/owner and shall automatically expire upon sale or transfer of the premises or residential unit, or if not

renewed pursuant to Municipal Code Section 14.47.130. The license may be revoked for failure to comply with adopted standards, subject to the administrative and revocation procedures outlined in Section 14.47.150, unless otherwise specified by this chapter.

14.47.130 License Renewal

The vacation rental license shall automatically renew upon payment of the business license tax renewal fee and all required transient occupancy tax remittance documents associated with the vacation rental license. Non-renewal prior to the expiration date will result in expiration of the vacation rental license and will require that a new application be made subject to Sections 14.47.070 and 14.47.090 and all other requirements of this code.

14.47.140 Cessation of Use of a Residential Unit as a Vacation Rental

- a. Where the owner of a premises or residential unit used and occupied as a vacation rental pursuant to a vacation rental license approved and issued in the manner provided by this chapter, fails to remit transient occupancy tax for a period of twenty-four (24) consecutive months or greater as determined by the City, vacation rental license shall be deemed to have automatically expired and shall be forfeited.
- b. Where the owner of a premises or residential unit used and occupied as a vacation rental pursuant to a license approved and issued in the manner provided by this chapter intends to cease such use and abandon the vacation rental license for the residential unit, the owner shall promptly cause a notice of cessation to be filed with the City. The vacation rental license for the unit shall expire immediately upon receipt by the City of the notice of cessation.

14.47.150 License Revocation

A vacation rental license issued under the provisions of this chapter may be revoked by the City Manager or his/her designee after notice and hearing, as provided in Section 14.47.180 below, for any of the following reasons:

- a. Fraud, misrepresentation or false statement contained in the application;
- b. Fraud, misrepresentation or false statement made in the course of carrying on a vacation rental as regulated by this chapter;
- c. Any violation of any of the provisions of this chapter or of any other provision of this code; or
- d. Any violation of any provision of federal, state or local laws.

14.47.160 License Revocation - Hearing Required

Before revoking a vacation rental license, the City Manager or his/her designee shall give the owner reasonable notice in writing of the proposed revocation and of the grounds thereunder, and also of the time and place at which the holder of the vacation rental license will be given a reasonable opportunity to show cause why the vacation rental license should not be revoked. The notice may be served personally upon the owner or may be mailed, postage prepaid, to the owner, at the last known address or at any address shown upon the application, at least ten (10) days prior to the date of the hearing. Upon conclusion of the hearing, the City Manager or his/her designee may, for any of the grounds set forth in Section 14.47.150, shall revoke the license.

14.47.170 Appeal from Denial or Revocation of License

Any person whose application has been denied by the City Manager or his/her designee or any person who has had a vacation rental license revoked by the City Manager or his/her designee shall have the right to an administrative appeal before the City Manager or his/her designee. Any unfavorable decision by the City Manager may be appealed in writing, in a form provided by the City, stating the grounds therefor, within ten days of the decision, to the Planning Commission. The Planning Commission shall hold a hearing thereon within a reasonable time and the decision of the Planning Commission shall be final. Appeals shall be filed as outlined in Carpinteria Municipal Code Section 14.78.

14.47.180 License Application Fee

No application shall be processed and no vacation rental license shall be issued under the provisions of this chapter unless the applicant has paid, unless exempted, the fees as set forth in the schedule of fees established by resolution of the City Council.

14.47.190 Amortization of Nonconforming Vacation Rentals

A nonconforming vacation rental is a vacation rental licensed by the City that is located outside of the vacation rental overlay district and was lawfully established in the PRD Planned Residential Zone District prior to the effective date of this Chapter. Notwithstanding any other law or provision of the Carpinteria Municipal Code, nonconforming vacation rentals shall terminate automatically within five (5) years of the effective date of Chapter 14.47 of the Carpinteria Municipal Code. A nonconforming vacation rental shall be subject to and shall follow the licensing provisions of this Chapter with the exception of Section 14.47.090(a).

To qualify as a nonconforming vacation rental, all of the following shall be satisfied:

- a. The owner demonstrates, with financial evidence acceptable to the City, that the residential unit has been used regularly and continually as a vacation rental in the twenty-four (24) months prior to October 26, 2015;
- b. The owner demonstrates, with financial evidence acceptable to the City, that s/he has successfully transmitted all transient occupancy taxes and business license fees to the City in the twenty-four (24) months prior to October 26, 2015; and
- c. The property had been continually licensed with the City as a vacation rental over the twenty-four (24) months prior to October 26, 2016.

14.47.200 Violations

All violations of this chapter may be filed as either a misdemeanor or infraction, as determined by the City Attorney, pursuant to Municipal Code Section 1.08.010.

14.47.210 Penalties

Violations of this chapter shall be punishable as provided under Chapter 1.08 of the Carpinteria Municipal Code.

14.47.220 Requirements Not Exclusive

The requirements of this chapter shall be in addition to any license, permit, or fee required under any other provision of this code. The issuance of any permit pursuant to this chapter shall not relieve any person of the obligation to comply with all other provisions of this code pertaining to the use and occupancy of the vacation rental unit or the property on which it is located.

14.47.230 Private Action to Enforce

Any person who has suffered, or alleges to have suffered, damage to person or property because of a violation of this chapter may bring an action for money damages and any other appropriate relief in a court of competent jurisdiction against the party alleged to have violated this chapter. Nothing herein shall be deemed or construed to create any right of action against the city or any of its officers, employees, or agents. The sole purpose and intent of this section is to create a right of action between private parties, entities and interests, which are or may be impacted or affected by various aspects of vacation home rentals within the city.

14.47.240 Administrative Policy

The City Manager or his designee, shall have the authority to develop administrative policies to implement the intent of this Chapter. The City Council may, from time to time, consider modifications to the administrative policies.

Chapter 14.52 Home Stays, is hereby added to Title 14 of the Carpinteria Municipal Code to read as follows:

CHAPTER 14.52 - Home Stays

14.52.010	Purpose and Intent
14.52.020	Applicability
14.52.030	License Required
14.52.040	Applicability of Underlying Base Zoning District
14.52.050	Application Requirements
14.52.060	Operating Standards
14.52.070	Grounds for Issuance / Denial of a License
14.52.080	License Form and Period of Validity
14.52.090	License Issuance and Non-Transferability
14.52.100	Term of License: Expiration
14.52.110	License Renewal
14.52.120	Cessation of Use of Property as a Home Stay
14.52.130	License Revocation
14.52.140	License Revocation – Hearing Required
14.52.150	Appeal from Denial or Revocation of License
14.52.160	License Application Fee
14.52.170	Violations
14.52.180	Penalties
14.52.190	Requirements Not Exclusive
14.52.200	Private Action to Enforce
14.52.210	Administrative Policy

14.52.010 Purpose and Intent

The purpose and intent of the home stays chapter is to adopt regulations pursuant to the police powers of the City for the purpose of requiring the owner(s) of a residential unit that is used as a home stay, as defined by Section 14.08 of the Carpinteria Municipal Code, to apply for and secure a home stay license authorizing use of the residential unit as a home stay in the manner provided for by this chapter. The intent of this chapter is to establish home stays as an allowed use in the R-1 Single-Family Residential, Planned Unit Development, and Planned Residential Development Zone Districts.

14.52.020 Applicability

This chapter applies to the licensing of home stays in residential zoning districts as outlined in Sections 14.12, 14.14, and 14.16 of the Carpinteria Municipal Code.

14.52.030 License Required

No person shall rent, offer to rent, or advertise for rent a home stay to another person or group without a license approved and issued in a manner provided for by this chapter. Only owners of a residential unit are eligible to apply for and receive a home stay license. Licenses for operation of a home stay will be issued pursuant an administrative policy developed by the City Manager and/or his designee.

14.52.040 Applicability of Underlying Residential District

All of the standards of the underlying residential district shall also apply to home stays.

14.52.050 Application Requirements

Prior to renting, offering to rent or advertising the rental of a home stay, the owner shall make an application for a home stay license to the City on a form provided by the City. The application shall be filed by the owner and include the following information:

- a. The full true name under which the business will be conducted.
- b. The address and assessor parcel number where the home stay is to be conducted.
- c. The owner's full, true name, mailing address, email address and telephone number.
- d. An affidavit stating that the residential unit meets all applicable building, health and safety standards. The affidavit shall be on a form provided by the City and shall be signed by the owner of the residential unit.

14.52.060 Operating Standards

The following minimum requirements shall apply to the operation of all home stays:

- a. The owner shall reside in the residential unit during all overnight rental periods.
- b. All advertisements for the home stay shall list the City's home stay license number and the current transient occupancy tax rate which applies to the rental of the unit.

- c. At all times a unit is used as a home stay, a notice shall be posted on the interior of the front door of the home stay, in a form approved by the City, which notes the home stay license number, transient occupancy tax rate, property owner contact information, and any additional information as required by the City as a part of the home stay license.
- d. The owner shall maintain an active business license, transient occupancy tax certificate and any other applicable licenses and permits, in addition to the home stay license, pursuant to Carpinteria Municipal Code, at all times that the residential unit is used or advertised as a home stay. A copy of the business license shall be posted on the interior of any bedroom door rented as part of a home stay.
- e. The maximum occupancy of a home stay shall be limited to no more than four (4) home stay guests per home stay.
- f. The owner shall by written agreement, limit Home Stay occupants to no more than one vehicle.
- g. Availability of the rental unit to the public shall not be advertised on the premises.
- h. The City Manager shall have the authority to impose additional operating standards, applicable to all home stays, as necessary, to achieve the objectives of this title. A list of all additional standards shall be maintained and on file in the Office of the City Clerk and such offices as the City Manager designates.
- i. Upon reasonable notice, each owner and agent or representative of any owner shall provide access to each residential unit used as a home stay and any records related to the use and occupancy of the home stay to the City Manager at any time during normal business hours, for the purpose of inspection or audit to determine that the objectives and conditions of this chapter are being fulfilled.

14.52.070 Requirements for License Issuance

The City shall consider the information included in a complete application in order to determine whether the issuance of a home stay license is consistent with the provisions of this chapter. Upon determination by the City that the following criteria have been met, the City shall approve the license:

- a. The City has not revoked a license for home stay use for that residential unit within the prior twenty-four (24) month period;

- b. The premises or residential unit is not currently the subject of an active compliance order or administrative citation for violation of the Carpinteria Municipal Code;
- c. An administrative citation has not been issued, regarding a violation on the site, in the past twelve (12) months;
- d. The property owner has demonstrated, through an application filed to the City, the ability to meet the requirements outlined in this chapter.

14.52.080 License Form and Period of Validity

All licenses for home stay uses shall be made on forms furnished by the Finance Department and shall be issued for one (1) year. Licenses shall be issued for the period of time beginning on July 1st of each year and concluding on June 30th of the following year. Applications made during the year shall be issued for a prorated period to conclude on July 1st.

14.52.090 License Issuance and Non-transferability

The home stay license issued under this chapter shall be issued to the owner of record of the residential unit and no license may be assigned, transferred or loaned to any other person, entity, location or establishment.

14.52.100 Term of License: Expiration

The home stay license shall be personal to the applicant/owner and shall automatically expire upon sale or transfer of the premises or residential unit or if not renewed pursuant to Municipal Code Section 14.52.110. The license may be revoked for failure to comply with adopted standards, subject to the administrative and revocation procedures outlined in Section 14.52.130, unless otherwise specified by this chapter.

14.52.110 License Renewal

The home stay license shall automatically renew upon payment of the business license tax renewal fee and all required transient occupancy tax remittance documents associated with the home stay license. Non-renewal prior to the expiration date will result in expiration of the home stay license and will require that a new application be made subject to Section 14.52.050 and all other requirements of this code.

14.52.120 Cessation of Use of a Residential Unit as a Home Stay

- a. Where the owner of a premises or residential unit used and occupied as a home stay pursuant to a home stay license approved and issued in the manner provided by this chapter, fails to remit transient occupancy tax for a period of twenty-four (24) consecutive months or greater, as determined by the City, home stay license shall be deemed to have automatically expired and shall be forfeited.

- b. Where the owner of a premises or residential unit used and occupied as a home stay pursuant to a license approved and issued in the manner provided by this chapter intends to cease such use and abandon the home stay license for the residential unit, the owner shall promptly cause a notice of cessation to be filed with the City. The home stay license for the unit shall expire immediately upon receipt by the City of the notice of cessation.

14.52.130 License Revocation

A home stay license issued under the provisions of this chapter may be revoked by the City Manager or his/her designee after notice and hearing, as provided in Section 14.52.140 below, for any of the following reasons:

- a. Fraud, misrepresentation or false statement contained in the application;
- b. Fraud, misrepresentation or false statement made in the course of carrying on a home stay rental as regulated by this chapter;
- c. Any violation of any of the provisions of this chapter or of any other provision of this code; or
- d. Any violation of any provision of federal, state or local laws.

14.52.140 License Revocation - Hearing Required

Before revoking a home stay license, the City Manager or his/her designee shall give the owner reasonable notice in writing of the proposed revocation and of the grounds thereunder, and also of the time and place at which the holder of the home stay license will be given a reasonable opportunity to show cause why the home stay license should not be revoked. The notice may be served personally upon the owner or may be mailed, postage prepaid, to the owner, at the last known address or at any address shown upon the application, at least ten (10) days prior to the date of the hearing. Upon conclusion of the hearing, the City Manager or his/her designee may, for any of the grounds set forth in Section 14.52.130, shall revoke the license.

14.52.150 Appeal from Denial or Revocation of License

Any person whose application has been denied by the City Manager or his/her designee or any person who has had a home stay license revoked by the City Manager or his/her designee shall have the right to an administrative appeal before the City Manager or his/her designee. Any unfavorable decision by the City Manager may be appealed in writing, in a form provided by the City, stating the grounds therefor, within ten days of the decision, to the Planning Commission. The Planning Commission shall hold a hearing thereon within a reasonable time and the decision of the Planning Commission shall be final. Appeals shall be filed as outlined in Carpinteria Municipal Code Section 14.78.

14.52.160 License Application Fee

No application shall be processed and no home stay license shall be issued under the provisions of this chapter unless the applicant has paid, unless exempted, the fees as set forth in the schedule of fees established by resolution of the City Council.

14.52.170 Violations

All violations of this chapter may be filed as either a misdemeanor or infraction, as determined by the City Attorney, pursuant to Municipal Code Section 1.08.010.

14.52.180 Penalties

Violations of this chapter shall be punishable as provided under Chapters 1.06 and 1.08 of the Carpinteria Municipal Code.

14.52.190 Requirements Not Exclusive

The requirements of this chapter shall be in addition to any license, permit, or fee required under any other provision of this code. The issuance of any permit pursuant to this chapter shall not relieve any person of the obligation to comply with all other provisions of this code pertaining to the use and occupancy of the home stay unit or the property on which it is located.

14.52.200 Private Action to Enforce

Any person who has suffered, or alleges to have suffered, damage to person or property because of a violation of this chapter may bring an action for money damages and any other appropriate relief in a court of competent jurisdiction against the party alleged to have violated this chapter. Nothing herein shall be deemed or construed to create any right of action against the city or any of its officers, employees, or agents. The sole purpose and intent of this section is to create a right of action between private parties, entities and interests, which are or may be impacted or affected by various aspects of vacation home rentals within the city.

14.52.210 Administrative Policy

The City Manager or his designee, shall have the authority to develop administrative policies to implement the intent of this Chapter. The City Council may, from time to time, consider modifications to the administrative policies.

Chapter 14.08 Definitions, of Title 14 of the Carpinteria Municipal Code is amended (in part) to include the following:

14.08.312 - Home stay.

"Home stay" means a type of short-term rental where the owner remains in the residential unit during the entire rental period. A home stay does not include the hosting of personal guests, home exchanges or vacation rentals. Tents, yurts and RVs are not allowed as a part of a home stay rental.

14.08.541 – Residential unit.

"Residential unit" means a building or portion thereof designed for or occupied in whole or in part, as a home, residency, or sleeping place, either permanently or temporarily, and containing not more than one kitchen per residential unit, but not including a hotel or boarding house, lodging house or motel. For the purposes of this Code residential unit includes the term dwelling unit and housing unit. See also Carpinteria Municipal Code 14.08.190 "Dwelling".

14.08.562 – Short-term rental.

"Short-term rental" is defined as the rental of a residential unit for a period of thirty (30) consecutive calendar days or less, subject to all applicable city land use regulations, permit/licensing requirements, and payment of fees and/or taxes, including transient occupancy tax as defined in Chapter 3.20 of this Code. Short-term rentals include both vacation rentals and home stays. Tents, yurts and RVs are not allowed as a part of a short-term rental.

14.08.627 – Vacation rental.

"Vacation rental" means a type of short-term rental where the owner of the residential unit does not remain in the residential unit during the entire rental period. Vacation rentals typically include the rental of an entire dwelling or premises. For the purposes of this Code, a vacation rental does not include time shares, home stays or home exchanges. Tents, yurts and RVs are not allowed as a part of a vacation rental.

Chapter 14.12 R-1 Single-Family Residential District, of Title 14 of the Carpinteria Municipal Code is amended (in part) to read as follows:

14.12.030 - Uses permitted by right.

Uses permitted by right in the R-1 district are as follows:

1. One single-family dwelling per legal parcel;
2. Uses, buildings, and structures customarily incidental to single-family dwellings, for exclusive use of the residents of the site, and not involving the maintenance of a commercial enterprise on the premises;
3. Home occupations subject to the provisions of Section 14.50.030;
4. Golf courses and country clubs operated in connection with the single-family residential development, but not including commercial driving tees, ranges, putting courses, or miniature golf courses;
5. Orchards, truck and flower gardens, and the raising of field crops; provided there is no sale on the property of the products produced;
6. Nurseries and greenhouses used only for the propagation and cultivation of plants, provided no advertising sign, commercial display room, or stand is maintained in connection therewith, and provided further that the aggregate

- square feet of floor area or ground area of all such building shall not exceed three hundred (300) square feet;
7. The keeping of animals and poultry as provided in Sections 6.04.390 and 6.04.420;
 8. Public parks, playgrounds, and community centers;
 9. Child day care use; provided such use does not detrimentally change the residential appearance of the property or neighborhood;
 10. Small family care homes, as defined in Chapter 14.08;
 11. Home stay, as provided in Chapter 14.52.

Chapter 14.14 PRD Planned Residential Development District, of Title 14 of the Carpinteria Municipal Code is amended (in part) to read as follows:

14.14.030 - Uses permitted subject to development plan approval.

Permitted uses subject to development plan approval are as follows:

1. Single-family, duplex, and multifamily dwelling units, including developments commonly known as townhouses, condominiums, cluster, and community apartment projects;
2. Accessory uses and structures incidental to permitted uses, i.e., laundry and storage rooms, garages, carports and parking lots, bus shelters, and bike racks, but not including retail commercial uses;
3. Child day care use, provided such use does not detrimentally change the residential appearance of the property or the neighborhood;
4. Public parks, playgrounds, and community centers;
5. Home occupations, as provided in Section 14.50.030;
6. Vacation rentals, within the vacation rental overlay district, as provided in Chapter 14.47;
7. Home stays, as provided in Chapter 14.52.

Chapter 14.16 PUD Planned Unit Development District, of Title 14 of the Carpinteria Municipal Code is amended (in part) to read as follows:

14.16.040 - Uses permitted subject to development plan approval.

Permitted uses subject to development plan approval in the PUD district are as follows:

1. Residential units, either attached or detached, including single-family dwellings, rowhouses, townhouses, apartments, condominiums, modular homes, and mobile homes on a permanent foundation; provided, that the units are clustered to the maximum extent feasible; for modular/mobile home PUD's, see Chapter 14.17;

2. Recreational facilities, including but not limited to, tennis courts, swimming pools, playgrounds, and parks for the private use of the prospective residents, provided such facilities are not operated for remuneration;
3. Commercial recreational facilities that are compatible with the residential units;
4. Community center facilities, i.e., day care center, laundromat, meeting rooms, for use by residents of the development;
5. Visitor-serving commercial facilities, i.e., a motel or restaurant; provided, that the planning commission may reduce the residential density otherwise permitted to accommodate facilities that provide overnight lodging, based on a determination that the increased density caused by the overnight lodging facility would have an adverse effect on prospective residents or on the surrounding environment; examples include an adverse effect on an environmentally sensitive habitat, major views to the ocean or foothills, and public access to the shoreline;
6. Convenience establishments of a commercial and service nature such as a neighborhood store designed and built as an integral part of the development and providing facilities primarily designed to serve the needs of prospective residents may be permitted, subject to the finding that such commercial use would not be materially detrimental to existing commercial development in the downtown area;
7. Open space uses such as parks, viewing areas, hiking, biking, and equestrian trails;
8. Uses, buildings and structures incidental, accessory and subordinate to permitted uses, subject to the provisions of this zoning district;
9. Home stays, as provided in Chapter 14.52.

14.16.041 – Administrative Policy

The City Manager or his designee, shall have the authority to develop administrative policies to implement the intent of this Chapter. The City Council may, from time to time, consider modifications to the administrative policies.

SECTION 5. Effective Date

This Ordinance shall be in full force and effect thirty (30) days following certification as an amendment to the City's Local Coastal Program by the California Coastal Commission; and before the expiration of fifteen (15) days following passage, this Ordinance shall be published once with the names of the members of the City Council voting for and against the same in The Coastal View, a newspaper of general circulation, published in the City of Carpinteria.

SECTION 6. CEQA Exemption

The City Council finds that this Ordinance is not subject to the California Environmental Quality Act ("CEQA") pursuant to State CEQA Guidelines Sections 15060(c)(2) (the activity will not result in a direct or reasonably foreseeable indirect physical change in the environment), 5060(c)(3) (the activity is not considered a project as defined in Section 15378), and 15061(b)(3) (the activity is covered by the general rule that CEQA applies only to projects which have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA).

SECTION 7. Severability

If any section, subsection, sentence, clause, phrase or word of this Ordinance is for any reason held to be invalid by a court of competent jurisdiction, such decisions shall not affect the validity of the remaining portions of this Ordinance. The City Council hereby declares that it would have passed and adopted this Ordinance, and each and all provisions hereof, irrespective of the fact that one or more provisions may be declared invalid.

SECTION 8. Publication

The City Clerk shall certify as to the passage of this Ordinance and cause the same to be published and posted in the manner prescribed by California law.

PASSED, APPROVED AND ADOPTED this ____th day of _____ 2016, by the following called vote:

AYES: COUNCILMEMBERS:

NOES: COUNCILMEMBER(S):

ABSENT: COUNCILMEMBER(S):

Mayor, City of Carpinteria

ATTEST:

City Clerk, City of Carpinteria

I hereby certify that the foregoing Ordinance was duly and regularly introduced and adopted at a regular meeting of the City Council of the City of Carpinteria held the ____ day of _____ 2016.

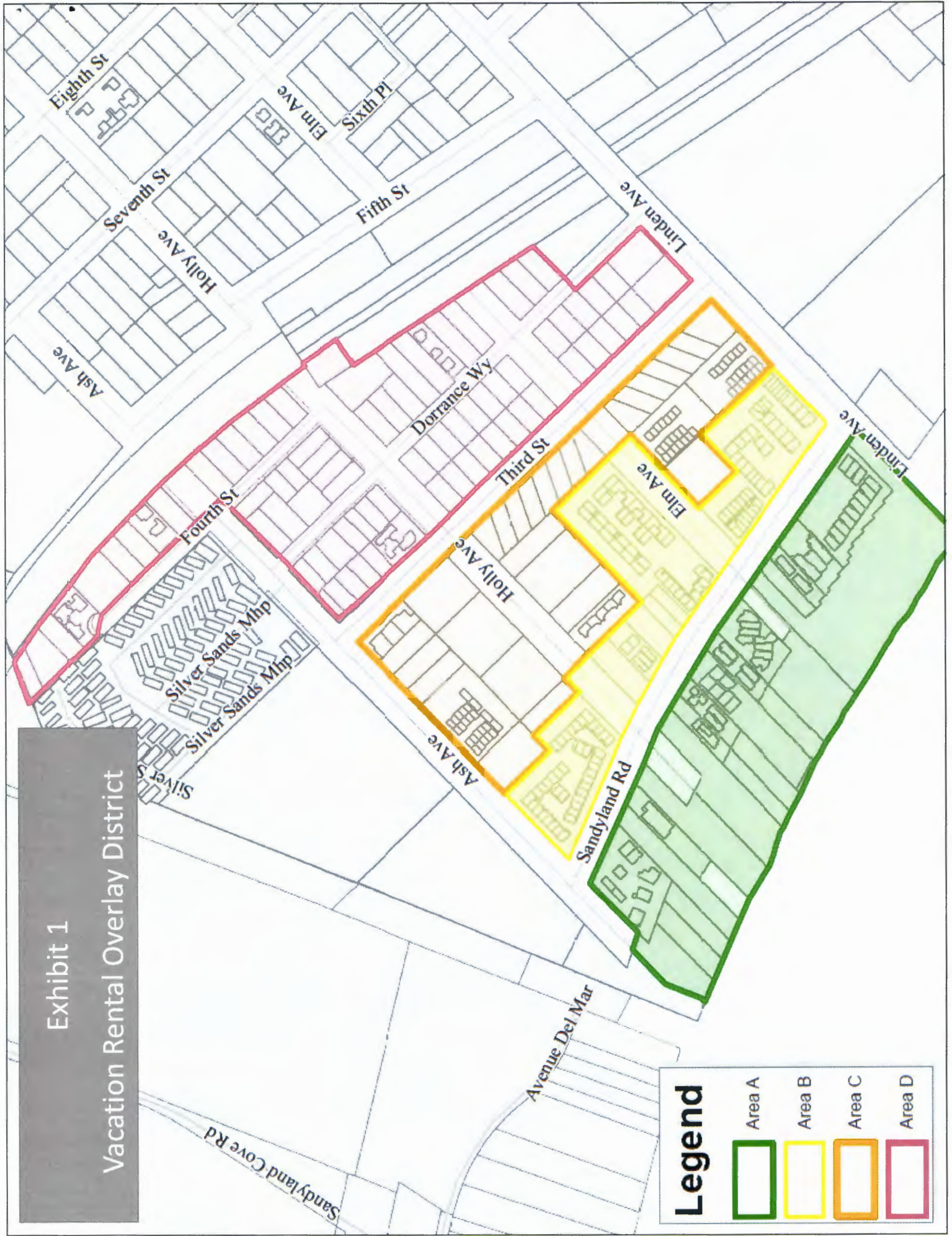
City Clerk, City of Carpinteria

APPROVED AS TO FORM:

Jena Acos, Legal Counsel
Brownstein Hyatt Farber Schreck, LLP,
Acting as City Attorney

Exhibit 1

Vacation Rental Overlay District



Legend

Area A
Area B
Area C
Area D

Grace, Jordan@Coastal

To: EileenMira
Subject: RE: Carpinteria Short Term Rental Ordinance December Agenda & Staff Report

From: EileenMira [<mailto:eileenmira@aol.com>]
Sent: Tuesday, November 15, 2016 12:34 PM
To: EMSCPASBCA@aol.com; Grace, Jordan@Coastal
Subject: Re: Carpinteria Short Term Rental Ordinance December Agenda & Staff Report

Hi Jordan,

I also spoke to you a month or so ago and would like a copy of the Staff Report when you have it available.

I'll take this time to also remind you that most citizens of Carpinteria are very concerned about Sandyland Road Areas A and B. Basically, oceanfront Sandyland and 2nd row, the other side of the street. As you are probably aware there is NO true Moderate income housing on Sandyland, which is prime beach real estate for owners and users alike to enjoy. I want to remind you that most units in that zone, whether they are a 1 or 2 bedroom, only have 1 parking spot. Several condos on Sandyland Road have been used for short term rentals for well over 50 years or more. The street is not set up for long term tenants. It's already hard enough to park and hit the beach. There is only 1 single family residence on the Sandyland Road, and that belongs to the Roberts Family, it also, is a short term rental I have personally rented.

My point here is that Sandyland Road should not have a CAP. A Cap hurts real estate values and to enforce a cap for the reason to have more moderate income long term renters makes no sense. I have a unit for sale on Sandyland and potential buyers want to be able to use it personally and to rent it weekly here and there to offset costs. No buyer likes the cap idea cause they don't know if they can rent in the future or if their future buyer can. I believe The Sandyland Cap is in the ordinance because there is a city council member who has an "Us verses Them" attitude. Us being those that live and work in Carp and Them being those that come to visit and enjoy this unique beach town. He wants this to stop and he wants low and moderate income workers to take up our beach

housing. He actually said this at a council meeting. People have been coming to Carp year after and enjoying our vacation rentals on the sand and across the street. The demand is so high there's no vacancy at all most summer months. A cap would be detrimental to visitors and to owner's rights and it's NOT needed. Most owners don't rent at all and never will. Also, there's not been any complaints on the street, and most large complexes have onsite managers. I can see a cap in a residential zone of single family residences a block or so back, but Sandyland Corridor is condos, duplexes, triplexes and 5 units and above. I hope you can please consider where myself and so many others are coming from on this issue. NO CAP ON SANDYLAND ROAD, PLEASE!

Thanks so much,

Eileen

Owner of currently 3 condos in Carp and have owned in Carp over a 25 year period, I live in Santa Barbara.

805-637-5626