

CALIFORNIA COASTAL COMMISSION

South Coast Area Office
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Long Beach, CA 90802-4302
(562) 590-5071



Th19b

LCP 1-16 (LCP-5-LGB-16-0055-1 SHORT TERM LODGING)

CITY OF LAGUNA BEACH

DECEMBER 1, 2017

EXHIBITS

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




























- Exhibit 1 – Vicinity Map
- Exhibit 2 – Zoning Map
- Exhibit 3 – City Council Resolution No. 16.076 Short-Term Lodgings
- Exhibit 4 – City Ordinance No. 1617 Short-Term Lodgings (Final Language Adopted by City)
- Exhibit 5 – Short-Term Lodgings (Strike Out/Insert Version)
- Exhibit 6 – Letters from the City
- Exhibit 7 – Letters of Opposition



Vicinity Map – Laguna Beach, Orange County

Zoning Map for the City of Laguna Beach

NOTE: SCAG updated the City General Plan land use data based on the information collected from each city. Please call Walberto Martin at (213) 236-1861 or email martinw@scag.ca.gov for any questions.

-  Agriculture-Recreation
-  C1- Local Business District
-  CA-Civic Art District
-  CBD-1 (Residential Serving)
-  CBD-2 (Downtown Commercial)
-  CBD- Office
-  CBD- Public Parks
-  CBD- Visitor Commercial
-  CBD- Central Bluffs
-  CBD- Multiple Family District
-  CHM- commercial Hotel-Motel
-  CN- Commercial Neighborhood
-  I- Institutional
-  LAG- Lagunaita
-  LBP- Local Business Professional
-  M1A- Light Industrial
-  M1B- Light Industrial
-  MH- Mobile Home
-  OSC- Open Space/ Conservation
-  OSCR- Open Space/ Conservation&Recreation
-  OSP- Open Space/ Passive
-  PL- Public Land
-  R1- Residential Low Density
-  R2- Residential Med Density
-  R3- Residential High Density
-  RD- Residential Development
-  REC- Recreation
-  RHP- Residential Hillside Protection
-  SLV-South Laguna Village Commercial
-  STP- Sarah Thurston Park
-  TAB- Three Arch Bay
-  TBZ
-  VC- Village Community
-  Other

Source: City of Laguna Beach, SCAG 2009

 Commercial Zoning Districts

For zoomable map visit:

http://webapp.scag.ca.gov/scsmaps/Maps/Orange%20County/subregion/OCCOG/Laguna%20Beach/image/LagunaBeach_ZN.pdf



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RESOLUTION NO. 16.076

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LAGUNA BEACH, CALIFORNIA, ADOPTING LOCAL COASTAL PROGRAM AMENDMENT 15-2254 AND REQUESTING ITS CERTIFICATION BY THE CALIFORNIA COASTAL COMMISSION

WHEREAS, after notice duly given pursuant to Government Code Section 65090 and Public Resources Code Sections 30503 and 30510, the Planning Commission of the City of Laguna Beach held a public hearing on March 16, 2016 to consider the adoption of Laguna Beach Local Coastal Program Amendment 15-2254 and Ordinance No 1617 pertaining to amendments to Chapters 25.23, 25.10, 25.12, 25.14 and 25.43 of the Laguna Beach Municipal Code relating to the regulation of short-term lodging; and

WHEREAS, the City Council, after giving notice as prescribed by law, held a public meeting on August 9, 2016 and August 30, 2016 regarding proposed Laguna Beach Local Coastal Program Amendment 15-2254 and Ordinance No. 1617; and

WHEREAS, the City Council adopted Ordinance No. 1617 on August 30, 2016; and

WHEREAS, the City Council finds that proposed Laguna Beach Local Coastal Program Amendment 15-2254 is consistent with the Laguna General Plan and the certified Laguna Beach Coastal Land Use Plan and Chapter 6 of the California Coastal Act; and

WHEREAS, the City Council of the City of Laguna Beach intends to implement the Local Coastal Program in a manner fully consistent and in conformance with the California Coastal Act;

NOW, THEREFORE, the City Council of the City of Laguna Beach does hereby resolve as follows:

SECTION 1. That Laguna Beach Local Coastal Program Amendment 15-2254 is hereby approved, consisting of Ordinance No. 1617 pertaining to amendments to Title 25 –

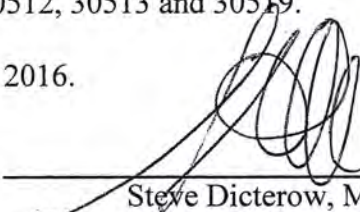
1 Zoning related to Short-Term Lodging. A copy of Ordinance No. 1617 is attached hereto as
2 Exhibit A, and is incorporated by this reference as though fully set forth herein.

3 **SECTION 2.** That the City staff is directed to forward this Resolution and all public
4 hearing notices, staff reports, exhibits, minutes and public comments associated with
5 Ordinance No, 1617 and other relevant information to the attention of the Acting Executive
6 Director of the Coastal Commission.
7

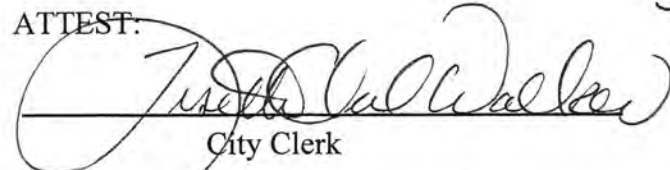
8 **SECTION 3.** That the California Coastal Commission is hereby requested to
9 consider, approve and certify Laguna Beach Local Coastal Program Amendment No. 15-
10 2254.

11 **SECTION 4.** That pursuant to Section 13551(b) of the Coastal Commission
12 Regulations, Laguna Beach Local Coastal Program Amendment No. 15-2254 will
13 automatically take effect immediately upon California Coastal Commission approval, as
14 provided in Public Resources Code Sections 30512, 30513 and 30519.
15

16 ADOPTED this 27th day of September, 2016.

17 
18 _____
Steve Dicterow, Mayor

19 ATTEST:

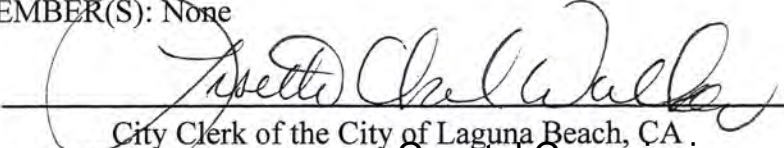
20 
21 _____
City Clerk

22 I, LISETTE CHEL-WALKER, City Clerk of the City of Laguna Beach, California,
23 do hereby certify that the foregoing Resolution No. 16.076 was duly adopted at a Regular
24 Meeting of the City Council of said City held on September 27, 2016, by the following vote:

25 AYES: COUNCILMEMBER(S): Boyd, Whalen, Zur Schmiede, Iseman, Dicterow

26 NOES: COUNCILMEMBER(S): None

27 ABSENT: COUNCILMEMBER(S): None

28 

City Clerk of the City of Laguna Beach, CA

Coastal Commission

ORDINANCE NO. 1617

AN ORDINANCE OF THE CITY OF LAGUNA BEACH AMENDING CHAPTERS 25.23, 25.10, 25.12, 25.14 AND 25.43 OF THE LAGUNA BEACH MUNICIPAL CODE RELATING TO SHORT-TERM LODGING

WHEREAS, on March 16, 2016, the Planning Commission conducted a legally noticed public hearing and, and after reviewing and considering all documents, testimony and other evidence presented, voted to recommend that the City Council approve this Ordinance regarding short-term lodging; and

WHEREAS, on August 9, 2016 and August 30, 2016, the City Council conducted legally noticed public hearings and has reviewed and considered all documents, testimony and other evidence presented;

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF LAGUNA BEACH DOES ORDAIN, as follows:

SECTION 1. Chapter 25.23 (Short-Term Lodging) of the Laguna Beach Municipal Code is hereby amended and shall read in its entirety as follows:

**Chapter 25.23
SHORT-TERM LODGING**

Sections:

25.23.010	Purpose and Findings
25.23.020	Definitions
25.23.030	Permit Required
25.23.040	Conditions
25.23.050	Permit does not run with the land
25.23.060	Continuation of legal Short-Term Lodging Units in Residential Zones
25.23.065	Continuation of legal Short-Term Lodging Units in Commercial Zones
25.23.070	Responsibilities of Short-Term Lodging Hosting Platforms
25.23.080	Violations

25.23.010 Purpose and Findings

The City Council of the City of Laguna Beach finds and declares as follows:

(A) Visitors, who rent short-term lodging units, can escalate the demand for City services and create adverse impacts in zoning districts that allow residential uses.

(B) Short-term lodging units are considered a commercial use, which are not permitted in residentially-zoned properties.

(C) Short-term lodging units deplete the City's limited supply of multiple-family residential units.

(D) Incidents involving excessive noise, disorderly conduct, vandalism, overcrowding, traffic congestion, illegal vehicle parking and accumulation of refuse associated with short-term lodging units, which require response from police, fire, paramedic and other City services escalate the demand for such services.

(E) Agents and/or absentee owners operate many short-term lodgings.

(F) The restrictions of this Chapter are necessary to prevent the burden on City services and adverse impacts on residential neighborhoods posed by short-term lodgings and to preserve the City's existing rental housing stock consistent with the adopted General Plan.

25.23.020 Definitions

For the purpose of this Chapter, the following definitions shall apply:

(A) "District" means the zones of the City designated by this Title.

(B) "Good neighbor brochure" means a document prepared by the City that summarizes the general rules of conduct, consideration, and respect including, but not limited to, the provisions of the City of Laguna Beach Municipal Code and other applicable laws, rules or regulations pertaining to the use and occupancy of the short-term lodging units.

(C) "Home exchange" means the simultaneous exchange of homes by one owner with another owner in a different city for short periods of time, for not less than one week and not more than two times in total per calendar year, by written agreement between both parties to exchange homes without any exchange of compensation or other consideration.

(D) "Home sharing" is a form of short-term lodging subject to the provisions of this Chapter and means a rental in a residential unit for 30 consecutive days or less during which the host lives on-site for the entirety of the visitor's stay and the visitor enjoys the non-exclusive shared use of the host's home in exchange for compensation, including any type of in-kind trade or exchange agreement between the property owner or designated resident host and the boarder, lodger or visitor.

(E) "Large or unruly gathering" means a gathering of persons for social occasion that results in a public nuisance or threat to the public health, safety or general welfare or quiet enjoyment of residential property or nearby public property.

(F) "Local contact person" means the person designated by the owner or the owner's authorized agent or representative who shall be available twenty-four hours per day, seven days per week for the purpose of: (1) responding within sixty minutes to complaints regarding the condition, operation, or conduct of occupants of the short-term lodging unit; and (2) taking remedial action to resolve any such complaints.

(G) "Lodging unit" or "Residential Unit" means the same as a "dwelling unit," which is a room or suite of rooms with a single kitchen used for the residential use and occupancy of one family, including a single-family residence, an apartment or other leased premises, a residential condominium unit or any other residential real estate improvement

that is located in a zoning district within which short-term lodging is allowed pursuant to this chapter and which is rented to person(s) other than the owner. "Lodging unit" does not include individual guest rooms in a hotel, motel or similar transient lodging establishment operated by an innkeeper, as defined in subdivision (a) of Section 1865 of the California Civil Code.

(H) "Operator" means the owner or the designated agent or representative of the owner who is responsible for compliance with this chapter with respect to the short-term rental unit.

(I) "Owner" means the person(s) or entity(ies) that hold(s) legal and/or equitable title to the lodging unit.

(J) "Responsible person" means an occupant of a short-term lodging unit who is at least 21 years of age and who is legally responsible for ensuring that all occupants and/or guests of the short-term rental unit comply with all applicable laws, rules and regulations pertaining to the use and occupancy of the subject short-term rental unit.

(K) "Rent" means compensation, money, rent, or other bargained for consideration given in return for occupancy, possession, or use of real property.

(L) "Short-term" means occupancy of a lodging unit for a period of thirty consecutive calendar days or less. "Short-term" shall include the rental of a lodging unit for a period of more than thirty consecutive days to an entity, person or group of persons and said entity, person or group of persons sublets or otherwise makes available the unit to another entity, person or group of persons whereby separate occupancy durations are established for the other entity, person or group of persons for a period of thirty calendar days or less.

25.23.030 Permit Required

(A) Short-term lodging units shall only be allowed within the LB/P, C-N, C-1 and CH-M Zoning Districts, and within the CBD-1, CBD-2, CBD Central Bluffs, CBD Office and CBD Visitor Commercial Districts of the Downtown Specific Plan, subject to the approval of an Administrative Use Permit as provided for in Section 25.05.020 of this title and SLV zoning district subject to approval of a Conditional Use Permit as provided in Section 25.05.030. No owner of a dwelling unit or units located outside of those zoning districts shall rent that unit or units for a short term (30 consecutive days or less). The following information shall be included with the completed application form:

- (1) The name, address and telephone number of the owner of the subject short-term lodging unit;
- (2) The name, address and telephone number of the operator;
- (3) The name, address and telephone number (available 24/7) of the local contact person that will be available to physically be able, if necessary, to respond within 60 minutes of notification of a problem resulting from the short-term lodging unit;
- (4) The address of the proposed short-term lodging unit;
- (5) The days of the week, weeks of the month and/or months of the year that the proposed short-term lodging unit will be available for rent on a short-term basis;
- (6) The number of bedrooms and the applicable overnight and daytime occupancy of the proposed short-term lodging unit;
- (7) The number of parking spaces located on site;

- (8) A site plan and floor plan, drawn to scale depicting the site layout, parking and a floor plan of the entire unit/rooms to be rented for short-term lodging purposes;
 - (9) Acknowledgement of receipt and inspection of the Good Neighbor brochure;
 - (10) Evidence that the residence/premises passed a safety inspection conducted by the Laguna Beach Fire Department;
 - (11) Evidence that the use of the property is eligible for liability insurance (homeowners or rental property insurance) in the amount of not less than \$500,000.00 to cover injuries, damages, losses and other claims associated with the short-term lodging;
 - (12) An estimate of the daily rental fee that will be charged for occupancy of the unit(s);
 - (13) An application fee established by resolution of the City Council.
- (B) A home exchange as defined in Section 25.23.020(C) shall not constitute short-term lodging for the purposes of this Chapter.
- (C) No permit shall be approved if the density of the requested short-term lodging unit(s) would be greater than the density otherwise allowed by the General Plan and/or in the underlying zone.

25.23.040 Conditions

All Administrative Use Permits or Conditional Use Permits (if located in the SLV Zoning District) issued pursuant to this Chapter shall be subject to the following standard conditions. As a result of issues identified during the Administrative Use Permit or Conditional Use Permit review process, other conditions may be imposed to ensure that the proposed use does not adversely affect the health, safety and general welfare of the occupants of adjacent property and the neighborhood. Failure to comply with any of the imposed conditions may be grounds for possible revocation of the Administrative Use Permit or Conditional Use Permit for short-term lodging as provided for in Section 25.05.075.

(A) Overnight occupancy of short-term lodging unit(s) shall be limited to a maximum of two persons per bedroom. Additional daytime guests are allowed between the hours of 7:00 a.m. and 10:00 p.m. with the maximum daytime guests not to exceed two persons per bedroom with a maximum of 20 guests allowed for five bedrooms or more. The following table illustrates the maximum number of occupants:

Number of Bedrooms	Total Overnight Occupants	Total Daytime Occupants (Including Number of Overnight Occupants)
0-Studio	2	4
1	2	4
2	4	8
3	6	12
4	8	16
5	10	20
6	12	20
7	14	20

(B) Each short-term lodging unit must have a minimum of two off-street parking spaces. The maximum number of vehicles permitted to park at the short-term lodging unit is limited to the number of on-site parking spaces. No vehicles of overnight or daytime occupants shall be parked on a street serving residential homes.

(C) Occupants and/or guests of short-term lodging unit(s) shall not create unreasonable noise or disturbances and shall comply with the standards and regulations of the Laguna Beach Noise Ordinance, shall not engage in disorderly conduct or violate provisions of the Laguna Beach Municipal Code or any State law pertaining to noise, collection and disposal of refuse, disorderly conduct, the consumption of alcohol or the use of illegal drugs.

(D) No radio receiver, musical instrument, phonograph, compact disk player, loudspeaker, karaoke machine, sound amplifier or any machine, device or equipment that produces or reproduces any sound shall be played outside of any short-term lodging unit or be audible from the usable area of any adjacent residences between the hours of 10:00 p.m. and 10:00 a.m.

(E) While the short-term lodging unit is rented, the operator shall designate a local contact person that will be available twenty four hours per day, seven days per week for the purpose of responding within 60 minutes to any issues received from either the neighbors of the short-term lodging unit or the responsible person renting the short-term lodging unit.

(F) The operator shall provide the City with the name, address and telephone number of the local contact person. If the local contact person changes or the contact information changes, the operator shall notify the City of the information of the new local contact person within 24 hours.

(G) If the property contains multiple units, the property owner or operator must permanently reside in one of the units.

(H) Trash and refuse shall not be stored within public view, except in proper containers for the purpose of collection by the City's authorized waste hauler on scheduled trash collection days. The containers shall be placed out for collection by seven a.m. and taken in by six p.m. to minimize interference with public rights-of-way on the scheduled trash collection days. The operator shall use reasonable prudent business practices to ensure compliance with all of the provisions of Chapter 7.16 (Solid Waste Collection and Disposal) of the Laguna Beach Municipal Code and must provide an appropriate number of and type of receptacles.

(I) Onsite advertising signs for the purpose of leasing the short-term lodging unit as a vacation rental are prohibited.

(J) All advertising (print, online, etc.) must include the City business license and Administrative Use Permit or Conditional Use Permit numbers.

(K) Commercial activities and events such as weddings, receptions and/or large parties are prohibited.

(L) Three or more confirmed violations of large or unruly gatherings, as defined in this chapter, will result in an automatic hearing for revocation of the Administrative Use Permit.

(M) Each approved short-term lodging unit shall display a valid Administrative Use Permit or Conditional Use Permit Resolution in a visible location near the main entrance within the rental unit and the conditions of the permit shall be posted on the exterior of the rental unit, or property if the unit is set back from the street, in plain view of the public. The permit and conditions shall be on 8.5 x 11 inch paper, protected in plastic, with the print no smaller than a 12 font size.

(N) A valid business license issued by the City for the separate business of operating short-term lodging unit(s) shall be obtained prior to renting short-term lodging.

(O) A valid Transient Occupancy Registration Certificate issued by the City for the lodging unit(s) per Chapter 5.05 (Hotel-Motel Room Tax) shall be obtained prior to renting short-term lodging, and the transient occupancy tax shall be paid as required by that chapter. Every Administrative Use Permit or Conditional Use Permit holder for short-term lodging must submit a quarterly return, whether or not the short-term lodging unit was rented during the quarter and/or Transient Occupancy Tax was collected.

(P) Each owner and/or operator of any short-term lodging unit shall keep and provide any records related to the use and occupancy (dates of stay, rent paid, etc.) of the short-term lodging unit to the Director of Finance or his/her designee, at the time that quarterly Transient Occupancy Tax payments are remitted to the City.

(Q) The property owner must maintain liability insurance (homeowners or rental property insurance) in the amount of not less than \$500,000.00 to cover injuries, damages, losses and other claims associated with the short-term lodging.

(R) Notwithstanding any provision of this title to the contrary, and unless otherwise specifically authorized by an Administrative Use Permit or Conditional Use Permit approved pursuant to this chapter, an Administrative Use Permit or Conditional Use Permit for short-term lodging is valid for a maximum of two (2) years from the date of approval of the permit, at which time the permit shall expire and be of no further force and effect unless renewed pursuant to this section. Within sixty days prior to the expiration of the Administrative Use Permit or Conditional Use Permit, the owner may apply for a renewal of the permit, which application shall be processed and acted on in the same manner and be subject to the same requirements as an application for a new permit.

(S) Upon a change in ownership of a short-term lodging unit, or a change of the agent/operator or any material facts set forth in the application for a short-term lodging unit, including an application for renewal of the Administrative Use Permit or Conditional Use Permit as described herein, a new Administrative Use Permit or Conditional Use Permit shall be required to continue operation of the short-term rental property, which the owner shall submit to the City within fourteen days of said change.

25.23.050 Permit does not run with the land.

(A) Notwithstanding any provision of this Title to the contrary and unless expressly provided otherwise by this chapter, an administrative use permit or conditional use permit approved pursuant to this chapter shall not run with the land. The permission to operate short-term lodging shall be personal and limited to the owner of the property to whom the administrative use permit is issued.

(B) No person shall convey or transfer or attempt to convey or transfer an administrative use permit or conditional use permit for short-term lodging to any other person. Any conveyance or transfer, or attempt to convey or transfer, an administrative use permit in violation of this section shall be void and shall constitute a violation of this code.

(C) No person shall convey or transfer or attempt to convey or transfer an administrative use permit or conditional use permit for short-term lodging from one property to another property. Any conveyance or transfer, or attempt to convey or transfer, an administrative use permit in violation of this section shall be void and shall constitute a violation of this code.

25.23.060 Continuation of legal short-term lodging units in residential zones.

(A) The operation of any legal short-term lodging unit in existence as of the effective date of this ordinance and located within the R-1, R-2, R-3 or VC zoning districts may continue as a legal nonconforming use subject to (1) the requirements set forth below, (2) continuously maintaining a business license for the short-term lodging unit, (3) fully and timely complying with applicable requirements for record-keeping and the collection and remittance of transient occupancy taxes, and (4) complying with all other conditions of the previously approved permit. No new short-term lodging may be established within those zoning districts.

(B) The right to continue the operation of a preexisting legal short-term lodging unit pursuant to the provision of subsection (A) shall run with the land.

(C) The right to continue the operation of a preexisting legal short-term lodging unit under this section shall lapse in the event that the use of the unit is abandoned or ceases for a period of twelve or more consecutive months.

25.23.065 Continuation of legal short-term lodging units in commercial zones.

(A) The operation of any legal short-term lodging unit in existence as of the effective date of this ordinance and located within the LB/P, C-N, C-1 or CH-M zoning districts or within the CBD-1, CBD-2, CBD Central Bluffs, CBD Office or CBD Commercial districts of the Downtown Specific Plan may continue as a legal conforming use subject to (1) the requirements set forth below, (2) continuously maintaining a business license for the short-term lodging unit, (3) fully and timely complying with applicable requirements for record-keeping and the collection and remittance of transient occupancy taxes, and (4) complying with all other conditions of the previously approved permit. The establishment of new short-term lodging units within those zoning districts shall conform to the provisions of this chapter.

(B) The right to continue the operation of a preexisting legal short-term lodging unit pursuant to the provisions of subsection (A) shall run with the land.

(C) The right to continue the operation of a preexisting legal short-term lodging unit under this section shall lapse in the event that the use of the unit is abandoned or ceases for a period of twelve or more consecutive months, and the unit shall not thereafter be reestablished except as provided by this chapter.

25.23.070 Violations.

(A) Additional conditions. A violation of any provision of this chapter by any occupant, owner or operator of a short-term lodging unit shall authorize the Director of Community Development or his or her designee to impose additional conditions on the use of the subject short-term lodging unit to ensure that future such violations are avoided.

(B) Administrative use permit modification, suspension and revocation. A violation of any provision of this chapter by any occupant, owner or operator of a short-term

lodging unit shall constitute grounds for modification, suspension or revocation of the subject short-term lodging unit administrative use permit pursuant to section 25.05.075 of this code.

(C) Administrative citation. In addition or as an alternative to any other remedy provided by state law or this code, the City may issue an administrative citation to the owner or operator pursuant to chapter 1.15 of this code if there is any violation of this chapter committed, caused or maintained by such person for each day of such violation.

(D) Any person, including without limitation owners or operators, violating any of the provisions of this chapter shall be guilty of a misdemeanor. Each day that such a violation occurs shall constitute a separate offense.

(E) Public nuisance. It shall be a public nuisance for any person to commit, cause or maintain a violation of this chapter.

SECTION 2. R-1 Residential Low Density Zone - Section 25.10.005 of the Laguna Beach

Municipal Code is hereby amended to read in its entirety as follows:

25.10.005 Uses Permitted Subject to an Administrative Use Permit

The following uses may be permitted subject to the granting of an administrative use permit as provided for in Section 25.05.020:

(A) Family day care home, large, subject to the following standards:

(1) The operator of the facility must be licensed pursuant to Chapter 3.5 or 3.6 of the California Health and Safety Code;

(2) A business license shall be obtained in accordance with Chapter 5.08, Business Licenses;

(3) No signs identifying the day care facility are permitted other than those permitted pursuant to Section 25.54.010;

(4) Parking shall be in compliance with Chapter 25.52;

(5) Hours of operation shall be limited to the hours between seven a.m. and seven p.m.;

(6) Outdoor play for children shall not begin before nine-thirty a.m.;

(7) The facility shall comply with State Fire Marshal fire and life safety standards.

(B) Parking or storage of recreational vehicles (meaning any travel trailer, boat, camper, motor home, van, travel and utility trailer or converted bus) that is more than twenty feet in length and more than six feet in height, subject to the following:

(1) The vehicle shall be owned by the owner of the property or the tenant who is the primary resident of the property.

(2) The outdoor parking of such vehicles shall not be closer than five feet to a property line, shall not be parked in the front or side yards and shall be located on a paved, or any other stable, all-weather surface approved by the director of community development.

(3) The vehicle shall not be connected to electricity, sewer or water.

(4) The vehicle shall not be used, either temporarily or permanently, for sleeping or living purposes.

(5) The vehicle shall not be used for storage of goods, materials or equipment other than those that constitute part of the unit or are essential for its

immediate use.

(6) The vehicle shall be in operable condition.

(7) The vehicle shall be effectively screened from a public right-of-way and/or adjacent residences with fencing and/or landscaping to the maximum extent allowed under the zoning regulations.

All vehicles being parked or stored as of the effective date of this subsection and not conforming to the provisions hereof shall within three months after receiving appropriate notice from the community development department, either obtain approval of an administrative use permit or cause the vehicle to be removed from the property.

SECTION 3. R-2 Residential Medium Density Zone - Section 25.12.005 of the Laguna Beach Municipal Code is hereby amended to read in its entirety as follows:

25.12.005 Uses Permitted Subject to an Administrative Use Permit

The following uses may be permitted subject to the granting of an Administrative Use Permit as provided for in Section 25.05.020:

(A) Family day care home, large, subject to the following standards:

(1) The operator of the facility must be licensed pursuant to Chapter 3.5 or 3.6 of the California Health and Safety Code;

(2) A business license shall be obtained in accordance with Chapter 5.08, Business Licenses;

(3) No signs identifying the day care facility are permitted other than those permitted pursuant to Section 25.54.010;

(4) Parking shall be in compliance with Chapter 25.52;

(5) Hours of operation shall be limited to the hours between seven a.m. and seven p.m.;

(6) Outdoor play for children shall not begin before nine-thirty a.m.;

(7) The facility shall comply with State Fire Marshal fire and life safety standards.

(B) Parking or storage of recreational vehicles (meaning any travel trailer, boat, camper, motor home, van, travel and utility trailer or converted bus) that is more than twenty feet in length and more than six feet in height, subject to the following:

(1) The vehicle shall be owned by the owner of the property or the tenant who is the primary resident of the property.

(2) The outdoor parking of such vehicles shall not be closer than five feet to a property line, shall not be parked in the front or side yards and shall be located on a paved, or any other stable, all-weather surface approved by the director of community development.

(3) The vehicle shall not be connected to electricity, sewer or water.

(4) The vehicle shall not be used, either temporarily or permanently, for sleeping or living purposes.

(5) The vehicle shall not be used for storage of goods, materials or equipment other than those that constitute part of the unit or are essential for its immediate use.

- (6) The vehicle shall be in operable condition.
- (7) The vehicle shall be effectively screened from a public right-of-way and/or adjacent residences with fencing and/or landscaping to the maximum extent allowed under the zoning regulations.

All vehicles being parked or stored as of the effective date of this subsection and not conforming to the provisions hereof shall within three months after receiving appropriate notice from the community development department, either obtain approval of an administrative use permit or cause the vehicle to be removed from the property.

SECTION 4. R-3 Residential High Density Zone - Section 25.14.005 of the Laguna Beach Municipal Code is hereby amended to read in its entirety as follows:

25.14.005 Uses Permitted Subject to an Administrative Use Permit

The following uses may be permitted subject to the granting of an Administrative Use Permit as provided for in Section 25.05.020:

- (A) Family day care home, large, subject to the following standards:
 - (1) The operator of the facility must be licensed pursuant to Chapter 3.5 or 3.6 of the California Health and Safety Code;
 - (2) A business license shall be obtained in accordance with Chapter 5.08, Business Licenses;
 - (3) No signs identifying the day care facility are permitted other than those permitted pursuant to Section 25.54.010;
 - (4) Parking shall be in compliance with Chapter 25.52;
 - (5) Hours of operation shall be limited to the hours between seven a.m. and seven p.m.;
 - (6) Outdoor play for children shall not begin before nine-thirty a.m.;
 - (7) The facility shall comply with State Fire Marshal fire and life safety standards.
- (B) Parking or storage of recreational vehicles (meaning any travel trailer, boat, camper, motor home, van, travel and utility trailer or converted bus) that is more than twenty feet in length and more than six feet in height, subject to the following:
 - (1) The vehicle shall be owned by the owner of the property or the tenant who is the primary resident of the property.
 - (2) The outdoor parking of such vehicles shall not be closer than five feet to a property line, shall not be parked in the front or side yards and shall be located on a paved, or any other stable, all-weather surface approved by the director of community development.
 - (3) The vehicle shall not be connected to electricity, sewer or water.
 - (4) The vehicle shall not be used, either temporarily or permanently, for sleeping or living purposes.
 - (5) The vehicle shall not be used for storage of goods, materials or equipment other than those that constitute part of the unit or are essential for its immediate use.

(6) The vehicle shall be in operable condition.

(7) The vehicle shall be effectively screened from a public right-of-way and/or adjacent residences with fencing and/or landscaping to the maximum extent allowed under the zoning regulations.

All vehicles being parked or stored as of the effective date of the ordinance codified in this subsection and not conforming to the provisions hereof shall within three months after receiving appropriate notice from the community development department, either obtain approval of an administrative use permit or cause the vehicle to be removed from the property.

SECTION 5. Village Community Zone - Section 25.43.030 of the Laguna Beach Municipal Code is hereby amended to read in its entirety as follows:

25.43.030 Uses Permitted

Uses permitted in the Village area include all uses permitted in the R-1 Zone, subject to the standards of the R-1 Zone, except as modified in this Chapter.

SECTION 6. This Ordinance is exempt from compliance with the California Environmental Quality Act (CEQA) pursuant to Section 15265(c) of the State CEQA Guidelines, because the burden of CEQA compliance is shifted to the California Coastal Commission in connection with preparation or amendment to a Local Coastal Program (LCP) because the Coastal Commission's review and approval procedures have been found to be functionally equivalent to the environmental review process and Section 15305 because the ordinance changes are considered minor changes in land use limitations in that only the use of existing structures would be affected and a Notice of Exemption has been prepared.

SECTION 7. This Ordinance is intended to be of Citywide effect and application. All ordinances and provisions of the Laguna Beach Municipal Code and Sections thereof inconsistent herewith shall be hereby repealed to the extent of such inconsistency and no further.

SECTION 8. The City Clerk of the City of Laguna Beach shall certify to the passage and adoption of this Ordinance, and shall cause the same to be published in the same manner required by law in the City of Laguna Beach. This Ordinance shall become effective

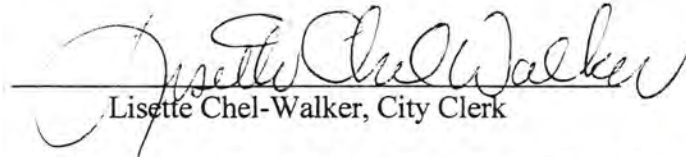
thirty (30) days after the final approval by the City Council.

ADOPTED this 30th day of August, 2016.



Steve Dieterow, Mayor

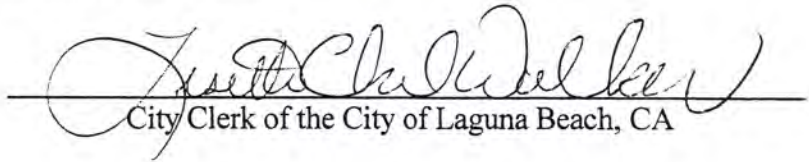
ATTEST:



Lisette Chel-Walker, City Clerk

I, Lisette Chel-Walker, City Clerk of the City of Laguna Beach, do hereby certify that the foregoing Ordinance was introduced at a regular meeting of the City Council on August 9, 2016, and was finally adopted at a regular meeting of the City Council of said City held on August 30, 2016 by the following vote:

- AYES: COUNCILMEMBER(S): Boyd, Whalen, Zur Schmiede, Iseman, Dieterow
- NOES: COUNCILMEMBER(S): None
- ABSENT: COUNCILMEMBER(S): None



City Clerk of the City of Laguna Beach, CA

City proposed changes to Short-Term Lodging provisions in the LCP (Strikeout-Insert version)

City additions are shown in **bold and underlined text**.
City deletions are shown in ~~**bold and strikeout text**~~.

ORDINANCE NO. 1617

AN ORDINANCE OF THE CITY OF LAGUNA BEACH AMENDING CHAPTERS 25.23, 25.10, 25.12, 25.14 AND 25.43 OF THE LAGUNA BEACH MUNICIPAL CODE RELATING TO SHORT-TERM LODGING

WHEREAS, on March 16, 2016, the Planning Commission conducted a legally noticed public hearing and, and after reviewing and considering all documents, testimony and other evidence presented, voted to recommend that the City Council approve this Ordinance regarding short-term lodging; and

WHEREAS, on August 9, 2016 and August 30, 2016, the City Council conducted legally noticed public hearings and has reviewed and considered all documents, testimony and other evidence presented;

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF LAGUNA BEACH DOES ORDAIN, as follows:

SECTION 1. Chapter 25.23 (Short-Term Lodging) of the Laguna Beach Municipal Code is hereby amended and shall read in its entirety as follows:

**Chapter 25.23
SHORT-TERM LODGING**

Sections:

- | | |
|------------------|--|
| 25.23.010 | Purpose and Findings |
| 25.23.020 | Definitions |
| 25.23.030 | Administrative use permit or conditional use permit Permit Required |
| 25.23.040 | Conditions |
| 25.23.050 | Amortization Permit does not run with the land |
| 25.23.060 | <u>Continuation of legal Short-Term Lodging Units in Residential</u> |

Zones

25.23.065 Continuation of legal Short-Term Lodging Units in Commercial Zones

25.23.070 Responsibilities of Short-Term Lodging Hosting Platforms

25.23.080 Violations

25.23.010 Purpose and Findings

The City Council of the City of Laguna Beach finds and declares as follows:

(A) ~~Tourist~~Visitors, who rent short-term lodging units, can escalate the demand for City services and create adverse impacts in zoning districts that allow residential uses.

(B) Short-term lodging units are considered a commercial use, which are not permitted in residentially-zoned properties.

(C) Short-term lodging units deplete the City's limited supply of multiple-family residential units.

~~(B)~~ (D) Incidents involving excessive noise, disorderly conduct, vandalism, overcrowding, traffic congestion, illegal vehicle parking and accumulation of refuse ~~can be directly related to associated with~~ short-term lodging units, which require response from police, fire, paramedic and other City services escalate the demand for such services.

(E) Agents and/or absentee owners operate many short-term lodgings.

~~(D)~~ (F) The restrictions of this Chapter are necessary to prevent the burden on City services and adverse impacts on residential neighborhoods posed by short-term lodgings and to preserve the City's existing rental housing stock consistent with the adopted General Plan.

25.23.020 Definitions

For the purpose of this Chapter, the following definitions shall apply:

(A) "District" means the zones of the City designated by this Title.

(B) "Good neighbor brochure" means a document prepared by the City that summarizes the general rules of conduct, consideration, and respect including, but not limited to, the provisions of the City of Laguna Beach Municipal Code and other applicable laws, rules or regulations pertaining to the use and occupancy of the short-term lodging units.

(C) "Home exchange" means the simultaneous exchange of homes by one owner with another owner in a different city for short periods of time, for not less than one week and not more than two times in total per calendar year, by written agreement between both parties to exchange homes without any exchange of compensation or other consideration.

(D) "Home sharing" is a form of short-term lodging subject to the provisions of this Chapter and means a rental in a residential unit for 30 consecutive days or less during which the host lives on-site for the entirety of the visitor's stay and the visitor enjoys the non-exclusive shared use of the host's home in exchange for compensation, including any type of in-kind trade or exchange agreement between the property owner or designated resident host and the boarder, lodger or visitor.

(E) "Large or unruly gathering" means a gathering of persons for social occasion that results in a public nuisance or threat to the public health, safety or general welfare or quiet enjoyment of residential property or nearby public property.

(F) "Local contact person" means the person designated by the owner or the owner's authorized agent or representative who shall be available twenty-four hours per day.

seven days per week for the purpose of: (1) responding within sixty minutes to complaints regarding the condition, operation, or conduct of occupants of the short-term lodging unit; and (2) taking remedial action to resolve any such complaints.

(BG) "Lodging unit" or "Residential Unit" means the same as a "dwelling unit," which is a room or suite of rooms with a single kitchen used for the residential use and occupancy of one family, including a single-family residence, an apartment or other leased premises, a residential condominium unit or any other residential real estate improvement that is located in a zoning district within which short-term lodging is allowed pursuant to this chapter and which is rented to person(s) other than the owner. "Lodging unit" does not include individual guest rooms in a hotel, motel or similar transient lodging establishment operated by an innkeeper, as defined in subdivision (a) of Section 1865 of the California Civil Code. (The density standards applicable to short-term lodging units shall be no greater than the density otherwise allowed in the underlying zone.)

(H) "Operator" means the owner or the designated agent or representative of the owner who is responsible for compliance with this chapter with respect to the short-term rental unit.

(EU) "Owner" means the person(s) or entity(ies) that hold(s) legal and/or equitable title to the lodging unit.

(J) "Responsible person" means an occupant of a short-term lodging unit who is at least 21 years of age and who is legally responsible for ensuring that all occupants and/or guests of the short-term rental unit comply with all applicable laws, rules and regulations pertaining to the use and occupancy of the subject short-term rental unit.

(K) "Rent" means compensation, money, rent, or other bargained for consideration given in return for occupancy, possession, or use of real property.

(DL) "Short-term" means occupancy of a lodging unit for a period of thirty consecutive calendar days or less. "Short-term" shall include the rental of a lodging unit for a period of more than thirty consecutive days to an entity, person or group of persons and said entity, person or group of persons sublets or otherwise makes available the unit to another entity, person or group of persons whereby separate occupancy durations are established for the other entity, person or group of persons for a period of thirty calendar days or less.

25.23.030 Administrative use permit or conditional use permit. Permit Required

(A) Short-term lodging units shall only be allowed within the R-1, R-2, R-3, LB/P, C-N, C-1 and CH-M Zoning Districts, and VC zoning districts, and within the CBD-1, CBD-2, CBD Central Bluffs, CBD Office and CBD Visitor Commercial Districts of the Downtown Specific Plan, subject to the approval of an Administrative Use Permit as provided for in Section 25.05.020 of this title and SLV zoning district subject to approval of a Conditional Use Permit as provided in Section 25.05.030. No owner of a dwelling unit or units located outside of those zoning districts shall rent that unit or units for a short-term (30 consecutive days or less) without a valid administrative use permit or conditional use permit, as applicable, issued pursuant to this chapter. The following information shall be included with the completed application form:

(1) The name, address and telephone number of the owner of the subject short-term lodging unit;

(2) The name, address and telephone number of the operator;

- (3) The name, address and telephone number (available 24/7) of the local contact person that will be available to physically be able, if necessary, to respond within 60 minutes of notification of a problem resulting from the short-term lodging unit;
- (4) The address of the proposed short-term lodging unit;
- (5) The days of the week, weeks of the month and/or months of the year that the proposed short-term lodging unit will be available for rent on a short-term basis;
- (6) The number of bedrooms and the applicable overnight and daytime occupancy of the proposed short-term lodging unit;
- (7) The number of parking spaces located on site;
- (8) A site plan and floor plan, drawn to scale depicting the site layout, parking and a floor plan of the entire unit/rooms to be rented for short-term lodging purposes;
- (9) Acknowledgement of receipt and inspection of the Good Neighbor brochure;
- (10) Evidence that the residence/premises passed a safety inspection conducted by the Laguna Beach Fire Department;
- (11) Evidence that the use of the property is eligible for liability insurance (homeowners or rental property insurance) in the amount of not less than \$500,000.00 to cover injuries, damages, losses and other claims associated with the short-term lodging;
- (12) An estimate of the daily rental fee that will be charged for occupancy of the unit(s);
- (13) An application fee established by resolution of the City Council.
- (B) A home exchange as defined in Section 25.23.020(C) shall not constitute short-term lodging for the purposes of this Chapter.
- (C) No permit shall be approved if the density of the requested short-term lodging unit(s) would be greater than the density otherwise allowed by the General Plan and/or in the underlying zone.

25.23.040 Conditions

All ~~a~~Administrative ~~u~~Use ~~p~~Permits or Conditional Use Permits (if located in the SLV Zoning District) issued pursuant to this ~~e~~Chapter shall be subject to the following standard conditions. As a result of issues identified during the ~~a~~Administrative ~~u~~Use ~~p~~Permits or Conditional Use Permit review process, other conditions may be imposed to ensure that the proposed use does not adversely affect the health, safety and general welfare of the occupants of adjacent property and the neighborhood. Failure to comply with any of the imposed conditions may be grounds for possible revocation of the ~~a~~Administrative ~~u~~Use ~~p~~Permits or Conditional Use Permit for short-term lodging as provided for in Section 25.05.075 of this title.

(A) Overnight occupancy of short-term lodging unit(s) shall be limited to a specific number of occupants, and the number of occupants shall not exceed that permitted by the provisions of Titles 14 (Building and Construction) and 15 (Fire) of this code; maximum of two persons per bedroom. Additional daytime guests are allowed between the hours of 7:00 a.m. and 10:00 p.m. with the maximum daytime guests not to exceed two persons per bedroom with a maximum of 20 guests allowed for five bedrooms or more. The following table illustrates the maximum number of occupants:

<u>Number of Bedrooms</u>	<u>Total Overnight Occupants</u>	<u>Total Daytime Occupants (Including Number of Overnight Occupants)</u>
<u>0-Studio</u>	<u>2</u>	<u>4</u>

<u>1</u>	<u>2</u>	<u>4</u>
<u>2</u>	<u>4</u>	<u>8</u>
<u>3</u>	<u>6</u>	<u>12</u>
<u>4</u>	<u>8</u>	<u>16</u>
<u>5</u>	<u>10</u>	<u>20</u>
<u>6</u>	<u>12</u>	<u>20</u>
<u>7</u>	<u>14</u>	<u>20</u>

(B) Each short-term lodging unit must have a minimum of two off-street parking spaces. The maximum number of vehicles permitted to park at the short-term lodging unit is limited to the number of on-site parking spaces. No vehicles of overnight or daytime occupants shall be parked on a street serving residential homes.

(BC) Occupants and/or guests of short-term lodging unit(s) shall not create unreasonable noise or disturbances and shall comply with the standards and regulations of the Laguna Beach Noise Ordinance, shall not engage in disorderly conduct or violate provisions of ~~this code~~ the Laguna Beach Municipal Code or any sState law pertaining to noise, collection and disposal of refuse, disorderly conduct, the consumption of alcohol or the use of illegal drugs.

(D) No radio receiver, musical instrument, phonograph, compact disk player, loudspeaker, karaoke machine, sound amplifier or any machine, device or equipment that produces or reproduces any sound shall be played outside of any short-term lodging unit or be audible from the usable area of any adjacent residences between the hours of 10:00 p.m. and 10:00 a.m.

(E) While the short-term lodging unit is rented, the operator shall designate a local contact person that will be available twenty four hours per day, seven days per week for the purpose of responding within 60 minutes to any issues received from either the neighbors of the short-term lodging unit or the responsible person renting the short-term lodging unit.

(F) The operator shall provide the City with the name, address and telephone number of the local contact person. If the local contact person changes or the contact information changes, the operator shall notify the City of the information of the new local contact person within 24 hours.

(G) If the property contains multiple units, the property owner or operator must permanently reside in one of the units.

(H) Trash and refuse shall not be stored within public view, except in proper containers for the purpose of collection by the City’s authorized waste hauler on scheduled trash collection days. The containers shall be placed out for collection by seven a.m. and taken in by six p.m. to minimize interference with public rights-of-way on the scheduled trash collection days. The operator shall use reasonable prudent business practices to ensure compliance with all of the provisions of Chapter 7.16 (Solid Waste Collection and Disposal) of the Laguna Beach Municipal Code and must provide an appropriate number of and type of receptacles.

(I) Onsite advertising signs for the purpose of leasing the short-term lodging unit as a vacation rental are prohibited.

(J) All advertising (print, online, etc.) must include the City business license and Administrative Use Permit or Conditional Use Permit numbers.

(K) Commercial activities and events such as weddings, receptions and/or large parties are prohibited.

(L) Three or more confirmed violations of large or unruly gatherings, as defined in this chapter, will result in an automatic hearing for revocation of the Administrative Use Permit.

(M) Each approved short-term lodging unit shall display a valid Administrative Use Permit or Conditional Use Permit Resolution in a visible location near the main entrance within the rental unit and the conditions of the permit shall be posted on the exterior of the rental unit, or property if the unit is set back from the street, in plain view of the public. The permit and conditions shall be on 8.5 x 11 inch paper, protected in plastic, with the print no smaller than a 12 font size.

(~~N~~) A valid business license issued by the eCity for the separate business of operating short-term lodging unit(s) shall be obtained prior to renting short-term lodging; and.

(~~O~~) A valid ~~Transient~~ ~~Occupancy~~ ~~Registration~~ ~~eCertificate~~ issued by the eCity for the lodging unit(s) per Chapter 5.05 ~~of this code~~ (Hotel-Motel Room Tax) shall be obtained prior to renting short-term lodging, and the transient occupancy tax shall be paid as required by that chapter. Every Administrative Use Permit or Conditional Use Permit holder for short-term lodging must submit a quarterly return, whether or not the short-term lodging unit was rented during the quarter and/or Transient Occupancy Tax was collected.

(P) Each owner and/or operator of any short-term lodging unit shall keep and provide any records related to the use and occupancy (dates of stay, rent paid, etc.) of the short-term lodging unit to the Director of Finance or his/her designee, at the time that quarterly Transient Occupancy Tax payments are remitted to the City.

(Q) The property owner must maintain liability insurance (homeowners or rental property insurance) in the amount of not less than \$500,000.00 to cover injuries, damages, losses and other claims associated with the short-term lodging.

(R) Notwithstanding any provision of this title to the contrary, and unless otherwise specifically authorized by an Administrative Use Permit or Conditional Use Permit approved pursuant to this chapter, an Administrative Use Permit or Conditional Use Permit for short-term lodging is valid for a maximum of two (2) years from the date of approval of the permit, at which time the permit shall expire and be of no further force and effect unless renewed pursuant to this section. Within sixty days prior to the expiration of the Administrative Use Permit or Conditional Use Permit, the owner may apply for a renewal of the permit, which application shall be processed and acted on in the same manner and be subject to the same requirements as an application for a new permit.

(S) Upon a change in ownership of a short-term lodging unit, or a change of the agent/operator or any material facts set forth in the application for a short-term lodging unit, including an application for renewal of the Administrative Use Permit or Conditional Use Permit as described herein, a new Administrative Use Permit or Conditional Use Permit shall be required to continue operation of the short-term rental property, which the owner shall submit to the City within fourteen days of said change.

25.23.050 ~~Amortization Permit does not run with the land.~~

~~The operation of any legal, nonconforming short term lodging unit(s) in existence as of the effective date of the ordinance codified in this chapter shall cease and be discontinued within two years from the effective date of the ordinance codified in this chapter unless the~~

~~owner(s) of such units obtain an administrative use permit in accordance with the provisions of this title. Owners of short-term lodging units which paid transient occupancy taxes prior to the effective date of the ordinance codified in this chapter shall be issued an administrative use permit upon application, and the provisions of Section 25.05.020(B), (C) and (D) of this title regarding filing fee, public notice and public hearing shall not be required. This section does not in any way preclude the requirements of Chapter 5.05 of this code, which requires the collection of a transient occupancy tax for any person renting a space in a hotel (as defined in Section 5.05.020 of this code) containing three or more units for thirty consecutive calendar days or less.~~

(A) Notwithstanding any provision of this Title to the contrary and unless expressly provided otherwise by this chapter, an administrative use permit or conditional use permit approved pursuant to this chapter shall not run with the land. The permission to operate short-term lodging shall be personal and limited to the owner of the property to whom the administrative use permit is issued.

(B) No person shall convey or transfer or attempt to convey or transfer an administrative use permit or conditional use permit for short-term lodging to any other person. Any conveyance or transfer, or attempt to convey or transfer, an administrative use permit in violation of this section shall be void and shall constitute a violation of this code.

(C) No person shall convey or transfer or attempt to convey or transfer an administrative use permit or conditional use permit for short-term lodging from one property to another property. Any conveyance or transfer, or attempt to convey or transfer, an administrative use permit in violation of this section shall be void and shall constitute a violation of this code.

25.23.060 Continuation of legal short-term lodging units in residential zones.

(A) The operation of any legal short-term lodging unit in existence as of the effective date of this ordinance and located within the R-1, R-2, R-3 or VC zoning districts may continue as a legal nonconforming use subject to (1) the requirements set forth below, (2) continuously maintaining a business license for the short-term lodging unit, (3) fully and timely complying with applicable requirements for record-keeping and the collection and remittance of transient occupancy taxes, and (4) complying with all other conditions of the previously approved permit. No new short-term lodging may be established within those zoning districts.

(B) The right to continue the operation of a preexisting legal short-term lodging unit pursuant to the provision of subsection (A) shall run with the land.

(C) The right to continue the operation of a preexisting legal short-term lodging unit under this section shall lapse in the event that the use of the unit is abandoned or ceases for a period of twelve or more consecutive months.

25.23.065 Continuation of legal short-term lodging units in commercial zones.

(A) The operation of any legal short-term lodging unit in existence as of the effective date of this ordinance and located within the LB/P, C-N, C-1 or CH-M zoning districts or within the CBD-1, CBD-2, CBD Central Bluffs, CBD Office or CBD Commercial districts of the Downtown Specific Plan may continue as a legal conforming use subject to (1) the requirements set forth below, (2) continuously maintaining a business license for the short-term lodging unit, (3) fully and timely complying with applicable requirements for record-keeping and the collection and remittance of transient occupancy taxes, and (4) complying with all other conditions of the previously approved permit. The establishment of new short-term lodging units within those zoning districts shall conform to the provisions of this chapter.

(B) The right to continue the operation of a preexisting legal short-term lodging unit pursuant to the provisions of subsection (A) shall run with the land.

(C) The right to continue the operation of a preexisting legal short-term lodging unit under this section shall lapse in the event that the use of the unit is abandoned or ceases for a period of twelve or more consecutive months, and the unit shall not thereafter be reestablished except as provided by this chapter.

25.23.070 Violations.

(A) Additional conditions. A violation of any provision of this chapter by any occupant, owner or operator of a short-term lodging unit shall authorize the Director of Community Development or his or her designee to impose additional conditions on the use of the subject short-term lodging unit to ensure that future such violations are avoided.

(B) Administrative use permit modification, suspension and revocation. A violation of any provision of this chapter by any occupant, owner or operator of a short-term lodging unit shall constitute grounds for modification, suspension or revocation of the subject short-term lodging unit administrative use permit pursuant to section 25.05.075 of this code.

(C) Administrative citation. In addition or as an alternative to any other remedy provided by state law or this code, the City may issue an administrative citation to the owner or operator pursuant to chapter 1.15 of this code if there is any violation of this chapter committed, caused or maintained by such person for each day of such violation.

(D) Any person, including without limitation owners or operators, violating any of the provisions of this chapter shall be guilty of a misdemeanor. Each day that such a violation occurs shall constitute a separate offense.

(E) Public nuisance. It shall be a public nuisance for any person to commit, cause or maintain a violation of this chapter.

SECTION 2. R-1 Residential Low Density Zone - Section 25.10.005 of the Laguna Beach

Municipal Code is hereby amended to read in its entirety as follows:

25.10.005 Uses Permitted Subject to an Administrative Use Permit

The following uses may be permitted subject to the granting of an administrative use permit as provided for in Section 25.05.020:

(A) Family day care home, large, subject to the following standards:

(1) The operator of the facility must be licensed pursuant to Chapter 3.5 or

3.6 of the California Health and Safety Code;

(2) A business license shall be obtained in accordance with Chapter 5.08, Business Licenses;

(3) No signs identifying the day care facility are permitted other than those permitted pursuant to Section 25.54.010;

(4) Parking shall be in compliance with Chapter 25.52;

(5) Hours of operation shall be limited to the hours between seven a.m. and seven p.m.;

(6) Outdoor play for children shall not begin before nine-thirty a.m.;

(7) The facility shall comply with State Fire Marshal fire and life safety standards.

(B) Parking or storage of recreational vehicles (meaning any travel trailer, boat, camper, motor home, van, travel and utility trailer or converted bus) that is more than twenty feet in length and more than six feet in height, subject to the following:

(1) The vehicle shall be owned by the owner of the property or the tenant who is the primary resident of the property.

(2) The outdoor parking of such vehicles shall not be closer than five feet to a property line, shall not be parked in the front or side yards and shall be located on a paved, or any other stable, all-weather surface approved by the director of community development.

(3) The vehicle shall not be connected to electricity, sewer or water.

(4) The vehicle shall not be used, either temporarily or permanently, for sleeping or living purposes.

(5) The vehicle shall not be used for storage of goods, materials or equipment other than those that constitute part of the unit or are essential for its immediate use.

(6) The vehicle shall be in operable condition.

(7) The vehicle shall be effectively screened from a public right-of-way and/or adjacent residences with fencing and/or landscaping to the maximum extent allowed under the zoning regulations.

All vehicles being parked or stored as of the effective date of this subsection and not conforming to the provisions hereof shall within three months after receiving appropriate notice from the community development department, either obtain approval of an administrative use permit or cause the vehicle to be removed from the property.

~~(C) — Short term lodging as defined and specified in Chapter 25.23 of this title. (Ord. 1529 § 1, 2010; Ord. 1474 § 1, 2007; Ord. 1088 § 6, 1985).~~

SECTION 3. R-2 Residential Medium Density Zone - Section 25.12.005 of the

Laguna Beach Municipal Code is hereby amended to read in its entirety as follows:

25.12.005 Uses Permitted Subject to an Administrative Use Permit

The following uses may be permitted subject to the granting of an Administrative Use Permit as provided for in Section 25.05.020:

- (A) Family day care home, large, subject to the following standards:
- (1) The operator of the facility must be licensed pursuant to Chapter 3.5 or 3.6 of the California Health and Safety Code;
 - (2) A business license shall be obtained in accordance with Chapter 5.08, Business Licenses;
 - (3) No signs identifying the day care facility are permitted other than those permitted pursuant to Section 25.54.010;
 - (4) Parking shall be in compliance with Chapter 25.52;
 - (5) Hours of operation shall be limited to the hours between seven a.m. and seven p.m.;
 - (6) Outdoor play for children shall not begin before nine-thirty a.m.;
 - (7) The facility shall comply with State Fire Marshal fire and life safety standards.

~~(B) Short term lodging as defined and specified in Chapter 25.23 of this title.~~

(C) Parking or storage of recreational vehicles (meaning any travel trailer, boat, camper, motor home, van, travel and utility trailer or converted bus) that is more than twenty feet in length and more than six feet in height, subject to the following:

- (1) The vehicle shall be owned by the owner of the property or the tenant who is the primary resident of the property.
- (2) The outdoor parking of such vehicles shall not be closer than five feet to a property line, shall not be parked in the front or side yards and shall be located on a paved, or any other stable, all-weather surface approved by the director of community development.
- (3) The vehicle shall not be connected to electricity, sewer or water.
- (4) The vehicle shall not be used, either temporarily or permanently, for sleeping or living purposes.
- (5) The vehicle shall not be used for storage of goods, materials or equipment other than those that constitute part of the unit or are essential for its immediate use.
- (6) The vehicle shall be in operable condition.
- (7) The vehicle shall be effectively screened from a public right-of-way and/or adjacent residences with fencing and/or landscaping to the maximum extent allowed under the zoning regulations.

All vehicles being parked or stored as of the effective date of this subsection and not conforming to the provisions hereof shall within three months after receiving appropriate notice from the community development department, either obtain approval of an administrative use permit or cause the vehicle to be removed from the property.

SECTION 4. R-3 Residential High Density Zone - Section 25.14.005 of the Laguna Beach Municipal Code is hereby amended to read in its entirety as follows:

25.14.005 Uses Permitted Subject to an Administrative Use Permit

The following uses may be permitted subject to the granting of an Administrative Use Permit as provided for in Section 25.05.020:

- (A) Family day care home, large, subject to the following standards:
- (1) The operator of the facility must be licensed pursuant to Chapter 3.5 or 3.6 of the California Health and Safety Code;
 - (2) A business license shall be obtained in accordance with Chapter 5.08, Business Licenses;
 - (3) No signs identifying the day care facility are permitted other than those permitted pursuant to Section 25.54.010;
 - (4) Parking shall be in compliance with Chapter 25.52;
 - (5) Hours of operation shall be limited to the hours between seven a.m. and seven p.m.;
 - (6) Outdoor play for children shall not begin before nine-thirty a.m.;
 - (7) The facility shall comply with State Fire Marshal fire and life safety standards.

~~(B) Short term lodging as defined and specified in Chapter 25.23 of this title.~~

(BC) Parking or storage of recreational vehicles (meaning any travel trailer, boat, camper, motor home, van, travel and utility trailer or converted bus) that is more than twenty feet in length and more than six feet in height, subject to the following:

- (1) The vehicle shall be owned by the owner of the property or the tenant who is the primary resident of the property.
- (2) The outdoor parking of such vehicles shall not be closer than five feet to a property line, shall not be parked in the front or side yards and shall be located on a paved, or any other stable, all-weather surface approved by the director of community development.
- (3) The vehicle shall not be connected to electricity, sewer or water.
- (4) The vehicle shall not be used, either temporarily or permanently, for sleeping or living purposes.
- (5) The vehicle shall not be used for storage of goods, materials or equipment other than those that constitute part of the unit or are essential for its immediate use.
- (6) The vehicle shall be in operable condition.
- (7) The vehicle shall be effectively screened from a public right-of-way and/or adjacent residences with fencing and/or landscaping to the maximum extent allowed under the zoning regulations.

All vehicles being parked or stored as of the effective date of the ordinance codified in this subsection and not conforming to the provisions hereof shall within three months after receiving appropriate notice from the community development department, either obtain approval of an administrative use permit or cause the vehicle to be removed from the property.

SECTION 5. Village Community Zone - Section 25.43.030 of the Laguna Beach

Municipal Code is hereby amended to read in its entirety as follows:

25.43.030 Uses Permitted

Uses permitted in the Village area include all uses permitted in the R-1 Zone, subject to the standards of the R-1 Zone, except as modified in this eChapter. ~~Short-term lodging, as defined and specified in Chapter 25.23 of this title, may be permitted subject to the granting of an administrative use permit as provided for in Section 25.05.020 of this title.~~

SECTION 6. This Ordinance is exempt from compliance with the California Environmental Quality Act (CEQA) pursuant to Section 15265(c) of the State CEQA Guidelines, because the burden of CEQA compliance is shifted to the California Coastal Commission in connection with preparation or amendment to a Local Coastal Program (LCP) because the Coastal Commission's review and approval procedures have been found to be functionally equivalent to the environmental review process and Section 15305 because the ordinance changes are considered minor changes in land use limitations in that only the use of existing structures would be affected and a Notice of Exemption has been prepared.

SECTION 7. This Ordinance is intended to be of Citywide effect and application. All ordinances and provisions of the Laguna Beach Municipal Code and Sections thereof inconsistent herewith shall be hereby repealed to the extent of such inconsistency and no further.

SECTION 8. The City Clerk of the City of Laguna Beach shall certify to the passage and adoption of this Ordinance, and shall cause the same to be published in the same manner required by law in the City of Laguna Beach. This Ordinance shall become effective thirty (30) days after the final approval by the City Council.

ADOPTED this 30th day of August, 2016.

Steve Dicterow, Mayor

ATTEST:

Lisette Chel-Walker, City Clerk

I, Lisette Chel-Walker, City Clerk of the City of Laguna Beach, do hereby certify that the foregoing Ordinance was introduced at a regular meeting of the City Council on August 9, 2016, and was finally adopted at a regular meeting of the City Council of said City held on August 30, 2016 by the following vote:

AYES: COUNCILMEMBER(S): Boyd, Whalen, Zur Schmiede, Iseman, Dicterow

NOES: COUNCILMEMBER(S): None

ABSENT: COUNCILMEMBER(S): None

City Clerk of the City of Laguna Beach, CA



October 11, 2016

Mr. John Ainsworth
Acting Executive Director
California Coastal Commission
200 OceanGate – Tenth Floor
Long Beach, CA 90802

Re: Request for Certification of Local Coastal Program Amendment No. 15-2254 by the California Coastal Commission Related to the Regulation of Short-term Lodging in the City of Laguna Beach

Dear Mr. Ainsworth:

On August 30, 2016, after many public meetings and hearings and extensive public review and debate, the City Council of the City of Laguna Beach adopted Local Coastal Program Amendment No. 15-2254 (LCPA) related to a zoning ordinance regulating short-term lodging (STL) in the City of Laguna Beach. As required by the Coastal Act, I have enclosed a copy of City Council Resolution No. 16.07, which requests that the California Coastal Commission consider, approve and certify the LCPA. Also enclosed are all public hearing notices, staff reports, exhibits, minutes and public comments associated with the review of this LCPA over the past one and one-half years. Please let this letter serve as the formal transmittal of all the aforementioned documents.

During the course of its review on STL, the City Council held eight related public meetings, which were held on May 19, 2015, June 15, 2015, August 18, 2015, November 17, 2015, April 12, 2016, August 9, 2016, August 30, 2016 and September 27, 2016. Additionally, the Planning Commission held a public meeting on March 16, 2016, and a City Council Subcommittee held public meetings on June 21, 2016 and July 14, 2016. Needless to say, these meetings were well publicized and attended, and the topic of STL has been thoroughly debated amongst the City Council, the Planning Commission and members of the public. It was not uncommon to have 30 to 40 public speakers at each meeting.

The debate on STL issues has been very passionate and primarily focused upon whether or not to allow STL to continue in Residential zoning districts. (It should be noted that STL has been previously allowed in certain other zoning districts.) The City is well aware of the Coastal Commission staff's view that prohibiting STL in Residential zoning districts is inconsistent with the Coastal Act, as expressed in Mr. Charles Posner's letter to the City Council dated July 13, 2016. Mr. Posner's letter was submitted to the City in response to his review of the draft LCPA/zoning ordinance that was presented to the City Council in a report dated April 12, 2016. In his letter, Mr. Posner expresses a position that under the Coastal Act, short-term rentals represent a high priority visitor-serving use that should be promoted as a means to provide overnight accommodations and support increased coastal access opportunities. In addition, he states that STL may serve as a more affordable option of overnight accommodations than traditional hotels, motels, or timeshare units, especially for families. His letter cites the following two sections of the Coastal Act:

Section 30213: Lower cost visitor and recreational facilities shall be protected, encouraged, and, where feasible, provided. Developments providing public recreational opportunities are preferred.

Section 30222: The use of private lands suitable for visitor-serving commercial recreational facilities designed to enhance public opportunities for coastal recreation shall have priority over private residential, general industrial, or general commercial development, but not over agriculture or coastal dependent industry.

Mr. Posner indicates that due to STL functioning as a high priority visitor-serving use, the Coastal Commission has generally interpreted local zoning ordinances in a broad fashion and found that STLs are a form of residential use, permitted by right, in any residentially zoned area unless such uses are specifically prohibited or otherwise restricted. He goes on to state that the Commission staff has serious concerns about the proposed adoption of the City's LCPA and its consistency with the Coastal Act because it prohibits STL in residential districts. His letter requests that the City provide information on how the LCPA may impact lower cost visitor accommodations and the overall availability of overnight accommodations in the City's coastal zone.

To address the concerns expressed by the Coastal Commission staff, which may also be of concern to Commissioners, I offer the following additional information that should assist staff and the Commission in understanding the uniqueness of the City's LCPA. I am confident that this additional information, when considered in the context of the existing geographic and zoning conditions of the City, will provide sufficient evidence to you that the City's LCPA will not create adverse impacts to lower cost visitor serving uses or access to the coast, and therefore can be found consistent with the Coastal Act.

A. STL permitted by right?

While the Coastal Commission staff have indicated that the Commission has generally found that STL is a form of residential use, permitted by right, in any residentially zoned area unless such uses are specifically prohibited or otherwise restricted, it is important to point out that the City's current certified LCP specifically does not permit short-term rentals in residential districts "by right." Instead, the current LCP requires discretionary consideration and action through the approval of an Administrative Use Permit (AUP) or Conditional Use Permit (CUP), which may be approved, conditionally approved or denied on the basis of individual facts and circumstances and, therefore, is not allowed "by right." (Furthermore, not every residentially zoned parcel is available for STL; in fact, for example, in the R-1 zone, only 54% of the residential parcels meet the required minimum standards.) In conjunction with the adoption of the LCPA, the City Council determined that the actual history of operations of STL within Laguna Beach residential zoning districts is inconsistent with general plan policies, including the need for preservation of residential rental housing stock (General Plan Housing Element), and causes pervasive serious adverse impacts to residential neighborhoods that cannot be effectively addressed through a permitting process. Importantly, the City Council nevertheless determined to allow the continuation of existing permitted STL units as uses running with the land (that is, not subject to amortization and abatement), so long as they are operated consistent with applicable standards. The City Council also determined that STL may be effectively regulated more appropriately in commercial districts;

and in recognition of this belief, the City Council expanded the number of allowable commercial districts where STL may be permitted.

B. STL as a visitor-serving use should be promoted?

The City agrees with the Coastal Commission staff's view that STL is considered an important visitor-serving use. Through the adoption of the LCPA, the City has promoted that use by continuing to allow the existing approved 36 AUPs encompassing 81 STL units to operate without expiration, and by expanding the number of commercial zoning districts where STL would be permitted. Further, the Commission staff's concern with the City prohibiting new STL units in residential districts being inconsistent with the Coastal Act is unfounded. While City staff understands that it may be a concern if the City did not allow STL anywhere in the City, the City Council's action continues to permit existing units in residential zoning districts to operate, and to permit existing and new units to operate in currently allowed commercial zoning districts and in an expanded number of allowable commercial districts as well.

Specifically, as described in the attached supplemental information and graphics, there are approximately 789 properties in commercial zones that permit residential units wherein STL could be permitted. Subsequently, based upon allowable density in these commercial zones, the LCPA will allow up to approximately 2,816 residential units that could be utilized for future STL. Additionally, it is worth noting that 10 of the currently approved 36 AUPs are within commercial zoning districts, thus providing evidence that STL in commercial districts is desired. More importantly, there are approximately 728 existing residential units located within these same commercial zoning districts that could, if permitted, accommodate STL under the adopted LCPA immediately without the need for any future development activity necessary to establish a residential use. Hence, while the ordinance would not permit additional (new) STL units within residential zoning districts, there is a significant amount of current and potential available sites within existing commercial districts to accommodate the need for this important visitor-serving use.

This is especially important when considering the geography of the City and location of commercial districts. As you are aware, in prior action, the Coastal Commission found that the use of short-term vacation rentals, especially in the nearshore area, is essential for the promotion of public access to the major visitor destination of the shoreline. Geographically, the City's commercial districts are significantly closer and at a lower and more accessible elevation to the shoreline than most of the City's residential districts, which are located further inland and upslope. Further, Laguna Beach's commercial districts are considered a significant visitor serving resource that accommodate art galleries, shops and restaurants. By focusing STL in the existing commercial core, which is either immediately adjacent to or within a distance of 200' (1 lot depth) from the shoreline, instead of within residential areas located further away from the shoreline, the City continues to promote this visitor serving use. Further, as you may be aware, there are a significant number of existing public coastal access points to the shoreline, which the City is very proud to maintain, that provide visitors direct coastal access from the commercial core where STL would be permitted.

C. Number of units permitted in last two years?

The City’s moratorium on new STL units was adopted in May 2015 and expired on October 1, 2016. Records for STL applications approved for the preceding two years of 2013 and 2014 show a total of 7 AUPs approved (2 in 2013 and 5 in 2014), of which only 5 are currently active. That the number of AUP applications processed per year is relatively small compared to the potential number of residential units located in commercial zones further supports the City’s position that prohibiting STL in residential districts, but continuing to permit them in both existing and expanded allowable commercial districts, does not have a material impact on this visitor-serving use.

D. Does STL serve as a more affordable option of overnight accommodations than more traditional lodging?

There are approximately 1,305 existing hotel/motel lodging units within the City. Considering all of these units combined, the average nightly weekday and weekend rate for each month of the year are as follows:

Average Nightly Rate for Hotel/Motel Lodging Units in the City of Laguna Beach		
Month	Weekday (Sun-Thurs) Ave. Rate	Weekend (Fri-Sat) Ave. Rate
August 2015	\$405.03	\$482.47
September 2015	\$279.38	\$356.34
October 2015	\$262.18	\$322.96
November 2015	\$242.37	\$287.37
December 2015	\$268.25	\$269.28
January 2016	\$234.36	\$281.53
February 2016	\$248.00	\$297.48
March 2016	\$286.16	\$337.96
April 2016	\$271.01	\$324.64
May 2016	\$278.28	\$351.11
June 2016	\$301.82	\$383.39
July 2016	\$429.89	\$505.67
Total Average Nightly Stay	\$292.23	\$350.02

City staff are aware that there are hotels in the City that during certain times of the year offer a rate as low as \$99/night.

In comparison, City staff evaluated all of the 36 existing approved and operating AUPs to identify an average nightly rate for STL units. Staff found that the average nightly rate for all units over all seasons was \$403.59. The table below provides more detail on the average nightly rate of all approved STL units in the City according to various times of the year. (This information was gathered in September 2016 from each unit’s respective on-line hosting platforms.)

Average Nightly Rate for Approved AUPs for STL in City of Laguna Beach	
Season	Average Rate of all Approved STL Units
Holiday	\$440.11
High Season Weekend	\$426.17
High Season Weekday	\$424.66
Mid Season Weekend	\$387.22
Mid Season Weekday	\$384.46
Low Season Weekend	\$382.63
Low Season Weekday	\$379.86
Total Average Weekend	\$398.67
Total Average Weekday	\$396.33
Total Average Nightly Stay	\$403.59

Thus, based upon the information that City staff have been able to gather to date, we believe that the current permitted STL units do not offer a nightly rate significantly different from more traditional lodging rates, and therefore are not necessarily a more affordable option. In fact, the daily rates for STL units are higher on average. While it is understood that in many cases an STL unit provides for the rental of an entire dwelling unit, which would include use of kitchen facilities and potentially accommodating larger groups of overnight guests, the City does not believe that the data presents sufficient evidence that STL is truly a more affordable option than traditional lodging in Laguna Beach. In other coastal cities, this may not be the case.

If, contrary to the data collected above, the Coastal Commission staff continue to believe that STL provides for lower cost accommodations in the City of Laguna Beach, since the City will continue to allow existing STL in residential zoning districts in addition to new STL in commercial zoning districts, then City staff believe that there will continue to be an opportunity for such lower cost accommodations, especially given the significant number of available and potential STL units in commercial districts as described earlier. For this reason, City staff does not see any impact to the availability of lower cost accommodations as a result of the City Council’s action and therefore believe that the City Council’s action is consistent with the Coastal Act.

The City is aware that the Coastal Commission has allowed for at least one other coastal city to restrict STL from residential districts provided that alternative districts, such as commercial districts, permit them. (Imperial Beach – IB LCPA #1-03.) Significantly also, whereas the Coastal Commission allowed Imperial Beach to amortize existing STL units in residential zoning districts over a 3-year period, the Laguna Beach LCPA allows existing units in residential zones to run with the land, potentially in perpetuity.

Through the evidence presented in this letter and its attachments, the City believes that the adopted LCPA will similarly not have an impact upon lower cost visitor-serving accommodations; especially considering the significant number of potential STL allowed in the City’s commercial districts, which as noted earlier are closer to visitor-serving amenities and the shoreline than most of the City’s residential districts.

Because, on the basis of the specific facts and circumstances at hand, the LCPA does not have an impact, either individually or cumulatively, on coastal resources, and is consistent with the policies of Chapter 3 of the Coastal Act, the City requests that you determine that the proposed LCPA is de minimis in

Mr. John Ainsworth
October 11, 2016
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accordance with Section 30514 of the Coastal Act. A de minimis finding would be beneficial for those property owners desiring to establish a STL unit within permitted districts by allowing for the processing of applications immediately instead of having to wait for the normal processing of a LCPA through the Coastal Commission. This would further the goals of the Coastal Act in providing additional visitor accommodations in areas that are either adjacent to or within immediate proximity to publicly accessible shoreline. While it is understood that Section 30514 indicates that the de minimis finding procedure is not applicable to amendments that involve a change in the allowable use of property, City staff would argue that this amendment does not involve a change in the underlying use of any property and that Residential zoning districts and Commercial zoning districts will continue to be utilized as described in their LCP adopted "Intent and Purpose".

Thanks for your attention to and consideration of this letter. I plan to follow up and contact you to make arrangements for further discussion of the matter. In the meantime, please contact me at (949) 497-0361 if you have any questions.

Sincerely,



Gregory Pfost, AICP
Director of Community Development

Attachments:

- Supplemental Data and Supporting Graphics
- City Council Resolution No. 16.076 Requesting Coastal Commission Certification of LCPA
- Ordinance No. 1617 Amending Municipal Code Title 25 relating to STL
- CEQA Notice of Exemption
- Public Meetings (Agenda Bill Staff Reports; Meeting Minutes; Public Notices)
- Public Correspondence (E-mail notification list; Mailing List; Correspondence)

cc: Letter only to:

Mayor and City Council
John Pietig, City Manager
Phil Kohn, City Attorney
Sherilyn Sarb, Coastal Commission Staff – Long Beach Office
Charles Posner, Coastal Commission Staff – Long Beach Office



August 30, 2017

Ms. Marlene Alvarado
Coastal Program Analyst
California Coastal Commission
South Coast Office
200 OceanGate – Tenth Floor
Long Beach, CA 90802

Re: Review of Past Coastal Commission Actions Related to Short-Term Lodging in Comparison to the City of Laguna Beach's Ordinance/LCPA Request

Dear Ms. Alvarado:

Thank you for sending the July 19, 2016 report on the Coastal Commission's "Sample of Commission Actions on Short Term Rentals." I have reviewed all of the information contained in the report and have come to the conclusion that actions taken previously by the Commission actually support and justify the City's ordinance and proposed LCP Amendment regarding short-term lodging.

What is first evident in the report is that actions taken by the Commission vary from jurisdiction to jurisdiction. This is because jurisdictions along the coast naturally differ from each other in the location of zoning districts, topography, coastal access opportunities, economic vitality, visitor population, property values, climate and other relevant features. Given the unique qualities and interests of each jurisdiction, it is understandable that a customized and nuanced approach that addresses the individual characteristics of each jurisdiction is warranted. Interestingly, some of these approaches that the Commission has utilized in the past include:

- City of Trinidad – Commission allowed for a maximum cap of 19 short-term lodging units in the UR residential zone and 6 units in the SR residential zone.
- Santa Cruz County – certain portions of the County prohibit more than 20% of the properties on a residential block from containing short-term lodging units.
- San Luis Obispo County – certain portions of the County require distance requirements of 500' between parcels being used for short-term lodging.
- City of Pismo Beach – because Pismo Beach is primarily residential along the shoreline and there are not sufficient overnight accommodations to provide coastal access opportunities, the Commission required short-term lodging in residential zones.
- City of Encinitas – Similar to Pismo Beach, Encinitas has few overnight accommodations. Subsequently, the Commission approved an ordinance that allowed prohibition of short-term lodging in residential zones on the east side of Highway 101, but required them in residential zones on the west side so as to increase coastal access opportunities.

Ms. Marlene Alvarado

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- City of Solano Beach – Required a “minimum” 7-day stay for short-term lodging in residential zones, noting that most of the homes in residential areas were large and not conducive to affordable overnight short term lodging. The Commission staff report also acknowledged that there were sufficient overnight accommodations within proximity to the City that would meet the overnight visitor serving need.
- Imperial Beach – prohibited short-term lodging units in residential zones, but allowed them in the Seacoast Commercial Zone and the Seacoast Mixed Use Overlay Zone.

As you know, Laguna Beach is very unique with its own set of characteristics that when considered as a whole, are not like any other coastal community in the state. Similar to other jurisdictions, a unique land use approach to the siting of short-term lodging units that considers these characteristics should be utilized. Examples of these characteristics were identified in my prior October 2016 correspondence. After reviewing the Commission’s prior actions, I would like to re-emphasize them for comparative purposes to the Commission’s prior actions.

Laguna Beach has very active visitor serving uses along its entire Coast Highway corridor, which in some cases is only 200’-300’ from the ocean’s edge. According to Visit Laguna, it is estimated that the City (pop. approx. 23,000) serves approximately 6 million visitors annually, most of which visit the City’s beaches, Downtown, and Coast Highway corridor. While the City’s R-2 and R-3 multi-family residential uses, which provide for more affordable “long-term” accommodations, are topographically and geographically located close to the Coast Highway visitor serving corridor, most of the less affordable single-family R-1 uses are located further inland and upslope. Similar to Solano Beach, while some of the City’s R-1 uses are located between Coast Highway and the ocean, these homes experience some of the City’s highest property values and are not typically effective in providing for “affordable” short term lodging stays. Similar to Encinitas, given the distance of most of the City’s R-1 uses from the Coast Highway corridor and the ocean, the existing visitor serving mixed use zone along the existing Coast Highway corridor, which is closer to the ocean and other related visitor serving amenities, provides for a better and more affordable short-term lodging option. This is also similar to the Commission’s action with Imperial Beach – locating short term lodging only in commercial and mixed use districts closer to the ocean.

Further, Laguna Beach has a significant amount of existing visitor serving lodging (approximately 1,305 units) located mainly along the Coast Highway visitor serving corridor. These units on average provide for a more affordable accommodation than existing legally permitted short-term lodging units in the City. Having sufficient overnight accommodations and the availability of existing residential units in our mixed use zone that can accommodate short-term lodging along the visitor serving corridor, exemplifies why the City is different from the cities of Pismo Beach, Encinitas and Solano Beach wherein according to the Commission, their unique characteristics necessitated short-term lodging in residential zones along the coast because of a lack of other overnight accommodations.

If it is the Commission’s position that short-term lodging represents a high priority visitor serving use that should be promoted as a means to provide overnight accommodations and support increased coastal access opportunities, City staff believes it important to identify the uniqueness of Laguna Beach in providing amenities that increase coastal access and the proximity of these amenities to short-term lodging as set forth in the City’s Ordinance and proposed by the LCP Amendment. For example, the City

Ms. Marlene Alvarado

August 30, 2017

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operates a “free” trolley service that provides public access to beaches and visitor serving uses along the entire Coast Highway corridor, Downtown, as well as to the visitor serving uses along Laguna Canyon Road. The trolley system, composed of 24 trolleys during summer months and serving 549,000 passengers in the summer of 2016, also connects to various public parking lots that provide for more affordable parking opportunities. Additionally, Laguna Beach has 38 public coastal access ways (see attached) that provide direct access to the coast from the visitor serving corridor of Coast Highway, which is served by the City’s trolley system - a few hundred feet from the ocean. The City continues to maintain and improve these coastal access ways, which exemplifies the City’s ongoing commitment to provide coastal access. I challenge you to find a community along the coast that takes the commitment of providing public access to the coast as serious as the City of Laguna Beach. By concentrating short-term lodging uses to the Coast Highway corridor, with direct access to “free” trolley service and coastal access to the ocean, City staff believes that the Ordinance and proposed LCP Amendment will provide overnight accommodations that are more effective in providing increased coastal access opportunities.

In our prior conversation, you indicated that you received information from members of the public that there were more than 1,000 short-term lodging units currently operating in the City. I would be interested in how this information was provided to you, and its source, as I believe it is not correct. Specifically, City staff has been in contact with a company that provides a consulting service that upon conducting a web-based search of short-term lodging rental platforms, identifies the number and location of short-term lodging units currently operating in the City. That company, which City staff is planning to move forward with a contract request to the City Council, has informed City staff that they estimate 383 properties operating short-term lodging in the City. City staff believes this estimate to be accurate because the company’s cost of services is based upon the number of properties currently providing short term lodging. Interestingly, according to their findings, a majority of the existing 383 short term lodging units tend to be located along the portion of town centering on the visitor serving Coast Highway corridor, where the City is proposing to encourage short-term lodging. Thus, while the City’s Ordinance would not permit short-term lodging in the R-1, R-2 and R-3 zones, as noted in prior correspondence, it will still be permitted in existing and proposed residential units along the visitor serving Coast Highway corridor, where mixed uses of residential and commercial are permitted. As previously noted, there are currently approximately 728 existing residential units that may have the potential to be converted, with permit, to short-term lodging. Further, based upon current required density standards, there is a potential for a total of 2,816 residential units (existing 728 + any new units) within the zoning districts that would permit short-term lodging units under the Ordinance and proposed LCP Amendment. Thus, the existing 328 units currently operating in the City, albeit in most cases without permit and thereby illegal, can easily be accommodated through the existing and proposed more affordable mixed use zone along the coast highway corridor. As such, the need for short-term lodging will continue to be met with the proposed LCP Amendment and there will be no impact to this visitor serving use.

Finally, City staff acknowledges and agrees with your concern that existing residential units in the mixed use commercial land use districts where short-term lodging would be permitted under the Ordinance and proposed LCP Amendment may not be issued a short-term lodging permit because these units may have existing non-conforming parking. To address that issue, City staff believes that the City may be amenable to include a new provision in the Ordinance that would permit existing residential units to be converted to short-term lodging by allowing existing non-conforming parking conditions to continue. Staff believes that since the Ordinance and proposed LCP Amendment mandate a maximum number of

Ms. Marlene Alvarado

August 30, 2017

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persons per unit, and provides for more control on the operational aspects of the unit, there will be no additional parking impacts since the short-term lodging unit is already being used for residential purposes of a similar occupancy.

In summary, similar to other jurisdictions, the City of Laguna Beach is unique and therefore warrants a unique approach to the provision of short-term lodging. The City Council has acted to concentrate short-term lodging uses from the City's residential districts of R-1, R-2 and R-3, to a more appropriate location that also allows for residential units. In addition, all existing lawfully permitted short-term lodging units are allowed to continue. Hence, in no way is the City's proposal a ban on short-term lodging in residential areas, but instead more appropriately concentrates them within our visitor serving corridor, which as previously stated provides closer proximity to coastal access and visitor serving amenities.

I hope that these points assist you in your preparation of a report supporting the City's Ordinance and proposed LCP Amendment. If you have any questions, or would like to discuss this matter further, please feel free to contact me.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Gregory Pfof', with a stylized flourish extending to the right.

Gregory Pfof, AICP

Community Development Director

Attachments:

List and Map of Public Coastal Access Ways in Laguna Beach

cc: Mayor and City Council
John Pietig, City Manager
Phil Kohn, City Attorney
Charles Posner, Coastal Commission Staff

**CITY OF LAGUNA BEACH - PUBLIC WORKS DEPARTMENT
BEACH ACCESS**

Renovation Priority	Beach Served	Location	Access Description		
1	Thalia Street	Thalia Street	Stairs and Deck		
2	Mountain Street	Mountain Road	Stairs		
3	Oak Street	Oak Street	Stairs and Deck		
4	Pearl Street	Pearl Street	Stairs		
5	Cleo Street	Cleo Street	Stairs		
6	Anita Street	Anita Street	Stairs		
7	Fisherman's Cove	Cliff Drive	Stairs		
8	Agate Street	Agate Street	Stairs		
9	Moss Point	Moss Street	Stairs		
10	Sleepy Hollow	Sleepy Hollow Lane	Stairs		
11	Diver's Cove	Cliff Drive	Stairs		
12	Shaw's Cove	Fairview Street	Stairs		
13	Crescent Bay	Cliff Drive	Barranca Ramp		
14	Crescent Bay	Circle Way	Stairs from Crescent Bay Dr. to Circle Wy.		
15	Cress Street	Cress Street	Stairs		
16	Wood's Cove	Ruby Street	View Park		
17	Victoria	Victoria Drive	Stairs		
18	Wood's Cove	Ocean Way	Stairs		
19	Diver's Cove	Cliff Drive	Stairs from High Drive to Cliff Drive		
20	Moss Point	Coast Highway	Stairs from Moss Street to Coast Highway		
21	Victoria	Dumond Drive	Ramp		
22	Bluebird	Bluebird Canyon Road	Ramp		
23	St. Ann's	St. Ann's Street	Stairs		
24	Goff Island	Treasure Island Park	Goff Ramp		
25	Goff Island	Treasure Island Park	North Cove Stairs		
26	Treasure Island Cove	Treasure Island Park	Main Ramp and Stairs		
27	Wood's Cove	Diamond Street	Stairs		
28	Picnic Beach	Myrtle Street	Ramp		
29	Rockpile Beach	Jasmine Street	Stairs		
30	Brooks Street	Brooks Street	Stairs and Viewing Deck		
31	Main Beach	Main Beach Park	Boardwalk		
32	Main Beach	Main Beach Park	Boardwalk		
33	Main Beach	Main Beach Park	Boardwalk		
34	Main Beach	Main Beach Park	Boardwalk		
35	Main Beach	Heisler Park	North Main Beach Stairs		
36	Main Beach	Cliff Drive	Stairs from Heisler Park to Main Beach		
37	Picnic Beach	Heisler Park	Monument Point Stairs		
38	Crescent Bay	Circle Way	Stairs and Storm Drain		

From: **Carl Kikerpill** <carlkikerpill@yahoo.com>

Date: Thu, Oct 13, 2016 at 2:01 PM

Subject: City of Laguna Beach's request for LCP amendment will severely restrict coastal access

To: Effie.Turnbull-Sanders@coastal.ca.gov, Mark.Vargas@coastal.ca.gov,

Martha.McClure@coastal.ca.gov, Steve.Kinsey@coastal.ca.gov, Erik.Howell@coastal.ca.gov,

Roberto.Uranga@coastal.ca.gov, Greg.Cox@coastal.ca.gov, Belinda.Faustinos@coastal.ca.gov,

Trent.Orr@coastal.ca.gov, Steve.Kram@coastal.ca.gov, Randy.Pestor@coastal.ca.gov,

Nidia.GarciaErceg@coastal.ca.gov, Sarah.GladeGurney@coastal.ca.gov, Olga.Diaz@coastal.ca.gov

Dear Commissioners,

I am writing this letter to all of you who the members of the California Coastal Commission to urge you to reject the recently submitted LCP amendment by the City of Laguna Beach. The ordinance passed by the City of Laguna Beach bans short-term rentals (STRs) in all residential areas of town, (zoned R1, R2 and R3) It severely restricts overnight coastal access for moderate income people and families. This ordinance follows a complete moratorium/ban of new short-term rentals, except for a handful of units grandfathered by an old, cumbersome and invidious process.

Out of 1280 hotel rooms in Laguna Beach, only 25 could be considered moderately affordable. Before the STR ban , there were 1,000+ homes listed on the major sharing platforms (AirBnB, Homeaway and VRBO). These STRs listed on the sharing platforms represents 2,000+ rooms, with many priced at rates affordable to families and groups that would otherwise have to rent several very expensive hotel rooms. This ordinance and submitted LCP amendment will reduce the number of rooms available for overnight visitors by >60%. Laguna Beach has welcomed STVR in it's residential neighborhoods since it's founding. This ordinance clearly violates the CCA's mission to make coastal areas accessible to all people in every economic demographic. The citizen's group, Village Laguna, lobbied for this ordinance and consistently stated publically in our city council meetings that they wanted to restrict tourist access to Laguna Beach.

STR hosts include many widows, widowers and moderate income residents of Laguna Beach who depended on the income from renting rooms or their entire house to be able to financially keep their home and remain living in Laguna Beach. Many of them will now be forced to sell their homes or lose them.

We ask the Coastal Commission to reject the amendment submitted by the City of Laguna Beach and direct them to replace it with a program to balance residential neighborhoods and allowing short term rentals which would allow more families and moderate income people coastal access. Thank you for your role in protecting access to our beautiful city and beaches for all people.

Respectfully Yours,

Carl R. Kikerpill

Carl R. Kikerpill C: [\(949\)306-4160](tel:(949)306-4160)

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RECEIVED
South Coast Region
OCT 25 2015
CALIFORNIA
COASTAL COMMISSION

Posner, Chuck@Coastal

From: Jennifer Welsh Zeiter <JWZeiterLaw@msn.com>
Sent: Monday, October 10, 2016 3:39 PM
To: Howell, Erik@Coastal; Cox, Greg@Coastal; Uranga, Roberto@Coastal; Posner, Chuck@Coastal; Henry, Teresa@Coastal; Hudson, Steve@Coastal; Sarb, Sherilyn@Coastal
Subject: Laguna Beach Ordinance Banning Short Term Rentals and LCP Amendment
Attachments: LBCity Resolution re LCP Amendment.pdf

Dear California Coastal Commission Members and Staff:

I am writing this letter to strongly object to the recently submitted LCP amendment by the City of Laguna Beach and to urge you to fully review and reject the LCP amendment. The policies and objectives of the LCP amendment submitted by Laguna Beach do not conform to the requirements of the Coastal Act, including but not limited to the land use plan, in that, among other things, it discourages and substantially diminishes coastal access, and is otherwise not in conformity with Division 20 of the Public Resources Code, the California Coastal Act of 1976.

Major Changes to LCP. The LCP amendment effectively bans short term rentals ("STR's) less than 30 days in R1, R2 and R3 zones, severely restricting overnight coastal access to our beaches and the coastal community of Laguna Beach. The LCP amendment reflects major changes to the LCP and is in direct conflict with the Coastal Act. The LCP amendment requires your comprehensive review and is in no way "minor" or "de-minimus" as it has a substantial individual and cumulative impact on coastal resources, and substantially changes allowable uses of property.

Substantially Reduces Access to Laguna's Unique Marine Preserves. I object to the "findings" in the City of Laguna Beach's resolution (attached) that the proposed LCP Amendment 15-2254 is consistent with the Laguna General Plan and the certified Laguna Beach Coastal Land Use Plan, and Chapter 6 of the Coastal Act. To the contrary, the proposed LCP amendment substantially and materially diminishes public coastal access and eliminates affordable short term housing for many families to our Laguna beaches. Previously permitted uses in R1, R2 and R3 zoning areas, which have existed for decades if not centuries in this popular coastal tourist destination, with the unique jewels of the Laguna State Marine Preserve and State Marine Conservation Area, have been significantly altered by the LCP amendment. Access to dozens of Laguna's unique tide pools and inter-tidal zones, and the ability to access early morning and late evening low tide viewing, is being substantially diminished by banning overnight STR's in Laguna, particularly for families with young children.

Material Changes in Zoning. Laguna Beach's zoning code is part of its LCP. Any time the zoning code is amended an amendment to the LCP is required with respect to any affected areas on the coastal zone. The changes to Laguna Beach's Title 25 - Zoning for Short Term Lodging effectively bans short term rentals in the residential coastal zone and materially changes zoning. It changes the location where short-term rentals are allowed, changes the minimum number of nights required for a short-term rental use, changes the number of vehicles allowed at a short term rental, etc. All of these new restrictions and bas are substantial changes to Laguna's LCP.

Coastal Commission
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Limited Overnight Options. There are only 1280 hotel rooms in Laguna - on any given day where are the rest of the families, tide pool lovers, snorkelers and divers, inlanders seeking to escape heat waves, out of state travelers and other visitors who wish to stay overnight going to stay? Most Laguna Beach hotel accommodations, are prohibitively expensive for mid and lower economic visitors and families. STRs provide a lower cost affordable accommodations for these visitors. Bottom line, the LCP amendment effects a substantial change in the relative composition of residential and recreational uses and coastal access. The LCP amendment substantially changes the intensity and density of use, decreasing overnight coastal visitors by 60% or more, and adversely affects the resources of the coastal zone.

Flagrant and Offensive City Conduct. It is flagrantly offensive for the City of Laguna Beach to certify in its findings that its LCP Amendment "is intended to be carried out in a manner fully in conformity" with the Coastal Act under Public Resources Code Section 30510(a). The Coastal Commission's own staff, by its July 2016 letter to the City, has already informed Laguna Beach that the ordinance, if passed, would violate the Coastal Act. The City flippantly and utterly disregarded the Coastal Commission's concerns, with one City council member even referring to the Commission, in a recorded City council hearing before the public, as "misguided bureaucrats." The City did not "forget" to submit an LCP Amendment, it intentionally did not do so in flagrant violation of its LCP and the Coastal Act. Further, the new zoning ordinance reflected in the LCP Amendment follows an 18 month moratorium/ban for new STR permits which started in March of 2015, which in and of itself has violated the LCP for the past 18 months, effectively criminalizing STR's in Laguna Beach over that period of time by over-aggressive City enforcement and fines.

For the reasons stated above, I implore you to reject the LCP amendment submitted by the City of Laguna Beach and require the City to work with the Coastal Commission and Laguna Beach homeowners to craft a reasonably balanced ordinance to permit property owners to rent their residences on a short term basis with a reasonable administrative process, incorporating reasonable regulations to ensure that the STRs are done in a responsible and safe manner that does not negatively impact neighbors. Neighboring coastal cities have been successful in crafting such balanced ordinances and working with the Coastal Commission. A balanced STR ordinance will provide moderately priced options for tens of thousands of visitors to stay overnight in Laguna Beach, to wade in our crystal clear waters, experience low and high tides with ease, and explore our Marine Reserves and Marine Conservation Areas.

The Coastal Commission has been a strong advocate for short term rentals in the coastal zone. Please help us maintain alternative housing arrangements which provide more affordable opportunities for the public to visit the coast.

Thank you for your consideration and stewardship of our coast.

Respectfully Submitted,

Jennifer Welsh Zeiter
Laguna Resident and Tidepool Docent with the Laguna Ocean Foundation
2599 Glenneyre Street
Laguna Beach, CA 92651
408-832-7786

OCT 10 2016

CALIFORNIA
COASTAL COMMISSION

Dear Coastal Commission Members,

I am writing this letter to you and all the members of the California Coastal Commission to urge you not to approve the recently submitted LCP amendment by the City of Laguna Beach. The ordinance passed by the City of Laguna Beach which bans STR in all R1, R2 and R3 areas of town will severely restrict overnight coastal access for moderate income people and families to the beaches and coastal community of Laguna Beach. This ordinance followed a complete moratorium/ban for new AUPs for STR with very aggressive enforcement over the past 18 months.

There are currently 1280 hotel rooms in Laguna Beach with only 25 being considered moderately affordable. Before the ban on STR there were 1,000+ homes listed on the major sharing platforms (AirBnB, Homeaway and VRBO). These STR rentals listed on the sharing platforms represents 2,000+ rooms that were available for STR before the moratorium and the recent ordinance. This ordinance and submitted LCP amendment will reduce the number of rooms available for overnight visitors by >60%. Most of the rooms available on the sharing platforms are rented by families and individuals who couldn't afford to stay in the hotels in our town. This ordinance is a travesty and clearly violates the CCA and its intent to make coastal areas accessible to all people regardless of their economic demographic. The citizen's group, Village Laguna, who pushed for this ordinance ban to pass are very elitist and unfortunately driven by anti-tourist sentiment.

There are also many widows, widowers and moderate income residents of Laguna Beach among us who were depending on the income from the STR of rooms or their entire house to be able to financially keep their home and stay in Laguna Beach. Many of them will now be forced to sell their homes or lose them. Please also consider the economic impact as these families choose other places to spend their vacation dollars, in other locations, let alone the tax revenue. We simply cannot understand how the city council stated that the 60-100 million dollars in lost revenue is so easily overlooked. Perhaps until we go without, we can't see what a benefit we had from this tourism. So easily council stated, "This is not of concern".

We ask the Coastal Commission to reject the amendment submitted by the City of Laguna Beach and we ask that you would require them to create an ordinance that is balanced and would provide Laguna Beach homeowners with a reasonable administrative process that would allow us to provide our primary residences for STR. This will provide moderately priced options for thousands of visitors to come to Laguna Beach and enjoy our beautiful Coastal City. Thank you for your role in protecting access to our beautiful city and beaches for all people.

Respectfully Yours,

Tino & Shelly Ferrulli

31252 Monterey Street

Laguna Beach, CA 92651

OCT 25 2016

From: DAVID BELL [mailto:belldsgn@aol.com]

Sent: Monday, October 10, 2016 11:10 AM

To: Erik.Howell@coastal.ca.gov; Greg.Cox@coastal.ca.gov; Roberto.Uranga@coastal.ca.gov; CALIFORNIA COASTAL COMMISSION

Cc: Sherilyn.Sarb@coastal.ca.gov; cposner@coastal.ca.gov; teresa.henry@coastal.ca.gov; Steve.Hudson@coastal.ca.gov

Subject:

October 10, 2016

Subject: LCP Amendment by the City of Laguna Beach

Dear Coastal Commission Members,

I am writing this letter to you and all the members of the California Coastal Commission to urge you to reject the recently submitted LCP amendment by the City of Laguna Beach. The ordinance passed by the City of Laguna Beach bans short-term rentals (STRs) in all residential areas of town, (zoned R1, R2 and R3) It severely restricts overnight coastal access for moderate income people and families. This ordinance follows a complete moratorium/ban of new short-term rentals, except for a handful of units grandfathered by an old, cumbersome and invidious process.

Our family has been sharing our home for the past 8 years. We were told by a Laguna City Clerk that we did not need a permit unless we were renting full time. Many other people were told the same thing. After finding out that we were illegally renting our home, we tried getting a permit, but were told we could not because there was a moratorium and of course now there is a complete ban. Past guests are calling to come visit Laguna and we have had to turn them down. Some have chosen to vacation elsewhere because they prefer not to stay in a hotel. These are families that have 2 to 3 children that cannot afford a hotel, or want a kitchen and family room.

In the 8 years of renting, not a single complain from any neighbor. Our home is in a R3 zone.

Out of 1280 hotel rooms in Laguna Beach, only 25 could be considered moderately affordable. Before the STR ban, there were 1,000+ homes listed on the major sharing platforms (AirBnB, Homeaway and VRBO). These STRs listed on the sharing platforms represents 2,000+ rooms, with many priced at rates affordable to families and groups that would otherwise have to rent several hotel rooms. This ordinance and submitted LCP amendment will reduce the number of rooms available for overnight visitors by >60%. This ordinance clearly violates the CCA's mission to make coastal areas accessible to all people in every economic demographic. The citizen's group, Village Laguna, who pushed for this ordinance consistently stated that they want to restrict tourist access to Laguna Beach.

STR hosts include many widows, widowers and moderate income residents of Laguna Beach who depended on the income from renting rooms or their entire house to be able to financially keep their home and stay in Laguna Beach. Many of them will now be forced to sell their homes or lose them.

We ask the Coastal Commission to reject the amendment submitted by the City of Laguna Beach and replace it with a program to balance residential neighborhood with rentals which allow beach access. Thank you for your role in protecting access to our beautiful city and beaches for all people.

Respectfully Yours,

Lydia de Bell
530 Cypress Drive
Laguna Beach, Ca. 92651

Alvarado, Marlene@Coastal

From: Manrique Brenes <mjbrenes@gmail.com>
Sent: Wednesday, October 26, 2016 6:03 PM
To: Alvarado, Marlene@Coastal
Cc: Sanchez, Jordan@Coastal; Posner, Chuck@Coastal; Homesharing4laguna; Luis; Jennifer Welsh Zeiter; Lydia Bell; Carl Kikerpill; Pederson, Chris@Coastal; Ainsworth, John@Coastal; Hudson, Steve@Coastal; Henry, Teresa@Coastal; Padilla, Al@Coastal; Alvarado, Marlene@Coastal; Rehm, Zach@Coastal
Subject: Urgent attention to City of Laguna usurping the California Coastal Act
Attachments: Ltr Laguna Beach STR 13July2016.pdf

Marlene,

I have reached out previously to you and multiple members of the CCC on a grave situation we are facing in Laguna Beach. The city has passed an ordinance that bans Short Term Vacation Rentals that have been part of the community for many years and part of the permitting process for almost 20 years.

Our City Council, disregarding direct feedback from Charles Ponsford (see attached letter), has moved forward with the ordinance and has began enforcing it (no more AUPs are being processed). The City has submitted a LCP amendment in an attempt to paint a veil of legality on what your office has already established as a clear violation of the Coastal Act.

I urge to please reject the notion that this is a de minimis change as Director of Community Development suggests below.

Cheers,

Manrique

Begin forwarded message:

From: "Ppost, Greg CD" <gpffost@lagunabeachcity.net>
Subject: RE: 644-266-10
Date: October 26, 2016 at 10:31:23 AM PDT
To: 'Manrique Brenes' <mjbrenes@gmail.com>
Cc: "Irish, Lillian CD" <lirish@lagunabeachcity.net>

Manrique-

Further, in regards to the processing of your AUP application for short term lodging, as you know the City Council recently approved an Ordinance and a Local Coastal Program Amendment (LCPA) concerning the regulation of short-term lodging in the City. The City has forwarded the LCPA to the California Coastal Commission for certification. As part of that transmittal, the City has requested that the Commission determine the LCPA to be de minimis in accordance with provisions of the Coastal Act, which would cause the Ordinance to become effective immediately. The City is currently awaiting the Coastal Commission's disposition of that request. Upon receipt of the Coastal Commission's position, the City will then determine how your and other applications will be processed. Thank you for your patience.

Please let me know if you have any questions.

Thanks.

-Greg.

Gregory Ppost
Coastal Commission

Exhibit 7

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Alvarado, Marlene@Coastal

From: Richard Leger <richleger@gmail.com>
Sent: Wednesday, October 26, 2016 9:38 PM
To: Manrique Brenes; Alvarado, Marlene@Coastal
Subject: Re: Urgent attention to City of Laguna usurping the California Coastal Act

Hello Marlene

I also request you do the same. This is certainly not a de minimis issue to very many people. Short term rentals have been an established remedy since the founding of our town to allow outsiders to visit and enjoy our beaches and community. For the City of Laguna Beach to ban further use of our communities private property rights and allow outsiders to enjoy our community is contrary to what the Coastal Commission was initiated to foster and protect. It is with serious concern that I strongly ask you to address the actions of the city's blatant disregard of your oversight.

Respectfully

Richard leger
Laguna Beach resident and home owner.
949.922.2555

On Oct 26, 2016 6:03 PM, "Manrique Brenes" <mjbrene@gmail.com> wrote:
Marlene,

I have reached out previously to you and multiple members of the CCC on a grave situation we are facing in Laguna Beach. The city has passed an ordinance that bans Short Term Vacation Rentals that have been part of the community for many years and part of the permitting process for almost 20 years. Our City Council, disregarding direct feedback from Charles Ponsford (see attached letter), has moved forward with the ordinance and has began enforcing it (no more AUPs are being processed). The City has submitted a LCP amendment in an attempt to paint a veil of legality on what your office has already established as a clear violation of the Coastal Act.

I urge to please reject the notion that this is a de minimis change as Director of Community Development suggests below.

Cheers,
Manrique

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You received this message because you are subscribed to the Google Groups "Homesharing4laguna" group. To unsubscribe from this group and stop receiving emails from it, send an email to homesharing4laguna+unsubscribe@googlegroups.com.

To post to this group, send email to homesharing4laguna@googlegroups.com.

Visit this group at <https://groups.google.com/group/homesharing4laguna>.

To view this discussion on the web visit <https://groups.google.com/d/msgid/homesharing4laguna/3339DB7E-8C87-4D05-AC80-22EE94E26075%40gmail.com>.

For more options, visit <https://groups.google.com/d/optout>.

Begin forwarded message:

Coastal Commission
Exhibit 7
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South Coast Region

MAY 3 2017

CALIFORNIA
COASTAL COMMISSION



April 30, 2017

California Coastal Commission
South Coast Area Office
200 Oceangate, Suite 1000
Long Beach, CA 90802

Attn: Marlene Alvarado
Re: Case No. - LCP -5-LGB-16-0055-1

Dear Coastal Commissioners:

I wish to thank Ms. Alvarado for speaking with me last week regarding the meeting scheduled with the City of Laguna Beach ("City") on May 7th at the California Coastal Commission's ("CCC") Long Beach offices to discuss the City's LCP Amendment ("LCPA") in the wake of the City's zoning ordinance amendment 15-2253 (City Ordinance No 1617) passed in August 2016 banning all short term lodgings/rentals ("STLs") in the R1, R2 and R3 zones (the "STL Ban Ordinance"), and, as explained below, effectively eliminating substantially all STL's in the City.

This letter is intended to give the Commission (*which the City Council derogatorily refers to as "misguided bureaucrats"*) some background omitted by the City, and to refute the claims, analysis, misleading and flatly erroneous statistics provided by the City in its letter to the CCC dated October 11, 2016 (the "October Letter") requesting certification of its LCPA No. 15-2254 related to the City's STL Ban Ordinance. At the outset, we thank the Commission for denying this past December the City's "de minimus" request, and pursuing a full investigation into the STL Ban Ordinance's detrimental impact on coastal access in violation of the Coastal Act and the City's LCP. I spoke before the Commission at the December hearing, and appreciate the opportunity to be heard. This letter is written on behalf of a coalition of many Laguna residents who support STLs in Laguna as a vital visitor serving use, and who believe that a reasonably balanced ordinance regulating STLs can and should exist to ensure affordable coastal access and housing, without bans that substantially limit and have a negative impact on such access and housing. Based on the data collected from VRBO/HomeAway and AirBnB the City

ordinance would reduce the available and most affordable family STR options in Laguna Beach by as much as 45%. Clearly, STR of residential homes provide more affordable accommodations for families than hotel rooms.

Background (What the City didn't tell you in its October Letter).

Illegal 16 Month Moratorium and Effective Unilateral LCP Amendment. In its October Letter the City stated it held 8 public meetings and several planning commission and sub-committee meetings on STL's, and there was much public input, which is true. *But*, what the City didn't tell you is the City instituted 3 consecutive moratoriums on all STLs in Laguna starting in May of 2015 through October 1, 2016, a span of 16 months, which effectively during that period, and continuing to this day, substantially and negatively impacted access to coastal housing by shutting down about 1,000 STLs (data provided by VRBO/HomeAway and AirBnB) in Laguna Beach. Conservatively, assuming just 2 visiting persons per STL, up to 2,000 people per day were denied affordable coastal housing and coastal access during the moratorium. Assuming a visiting family of 4 per STL, as many of the STLs offered 2 or more rooms, the negative impact was and is much higher. The moratoriums were illegal as there was no evidence to support any findings of exigent circumstances of a "current and immediate threat to the public health, safety or welfare" that would have supported a legal basis for imposition of the moratorium. Unfortunately, not being aware of the extremely limited time period in which municipal moratoriums can be appealed to the courts by writ of mandate, we were too late to challenge the false "emergency" and have the moratorium reversed. By using the moratorium, the City bypassed the CCC and unilaterally amended its LCP without notice to or consent of the CCC *for 16 months*. Further, by not seeking an LCPA *prior* to passing the STL Ban Ordinance, the City is intentionally effectively *continuing* this illegal moratorium pending the CCC's review of the LCPA and investigation of its impact, which is now *almost at the 2 year mark*. As discussed below, even though the STL Ban Ordinance has not been approved by the CCC, the City is effectively implementing the ban in residential zones by failing to timely process STL applications by as much as 8 months or more.

City's Clear Disregard of CCC Notification and Disdain for the CCC. The City was clearly put on notice by Mr. Posner of the CCC in his July 13, 2016 letter that the STL Ban Ordinance was "overly restrictive, and even prohibitions in residential zones, would be inconsistent with Coastal Act policies that protect such uses" and that staff had "serious concerns." The City would have you believe it had some part in Mr. Posner sending that July letter, but in fact it was concerned residents of Laguna that notified the CCC of the proposed STL Ban Ordinance out of concern that it materially changed the City's LCP, effectively eliminated substantially all STLs, and violated the Coastal Act. That July letter also put the City on notice that an LCPA would be required and CCC approval obtained before being effective.

Notwithstanding this clear direction by the CCC, the City *knowingly* passed the STL Ban Ordinance in August *without* seeking CCC approval or an LCPA, and only submitted the LCPA in October 2016 as a begrudging "afterthought", with members of the City Council calling the CCC a bunch of "misguided bureaucrats", among other derogatory comments. More recently, in reference to a City Council meeting exploring prohibiting visitor parking in residential zones in South Laguna to "keep the tourists out", a council member derogatorily said "we need to talk

some sense into the Commission.” It is clear the City and City Council hold considerable disdain for the CCC and its mission to protect our coast and ensure coastal access. Do not be fooled by recent attempts by Mayor Iseman and others to curry favor with the CCC by inviting them to Laguna Beach. They are only reaching out because they begrudgingly need CCC approval, and they would prefer to make their own laws without complying with the Coastal Act.

The Illegal Moratorium and STL Ban Ordinance Reduces Coastal Overnight Accommodations by 45% or More. Based on reports provided by VRBO/HomeAway, AirBnB and other hosting sites, there were about 1,000 STLs in Laguna Beach at the time of the moratorium in May 2015. There are only 1,280 hotel rooms in the City (City says 1305), so effectively the moratorium eliminated 45% of the then existing available overnight accommodations for coastal visitors, and the most affordable. Arguably that reduction percentage is even higher, closer to 65%, as many of the STLs provided accommodations with multiple rooms, and not just a queen bed for two.

Laguna Beach has always been a California coast tourist destination.

Laguna has been a tourist destination welcoming families for over 100 years. Attached to this letter is a photo from 1924 showing wooden tent platforms advertising “completely furnished” tents for \$18/week. Many couples and families plan annual week long vacations in Laguna, returning to the same vacation house each year as a family tradition enjoyed for generations. The warmth, convenience and affordability of staying in a residential home, complete with all the amenities to cook your meals, BBQ outside and playing games around a large kitchen table, cannot be reproduced in a sterile and expensive hotel room environment. Smaller home-hosted STL’s in residential areas provide a more personal and affordable type of accommodation for couples on a budget, while also enjoying the benefits of the host’s company, breakfast treats, and personal “local” recommendations to restaurants, shops, hiking trails, and secluded beaches. Europeans particularly favor home share accommodations at home and abroad for these reasons and the lower cost. Besides being more affordable, these unique person-to-person experiences are unmatched in the typical hotel-stay experience.

Intentional Misrepresentations (How the City plays fast and loose with the “facts”).

STL Permitted by Right? Let’s talk about the “official” AUP (Application for Use Permit) for STL’s in Laguna that regulated short term lodging rentals prior to the moratorium. At the time of the moratorium there were *only 65 permitted* AUPs for STLs in all of Laguna; *however* there were 1,000 STL’s in Laguna without AUP’s which have been providing tens of thousands of overnight beachgoers for years with lower cost visitor serving accommodations and access to the coast, and helping to provide extended vacations stays for some of the 6.3 million people estimated to visit Laguna annually. There are many reasons why this disparity between permitted and non-permitted STL’s existed, including: (1) most STL hosts simply did not know that an AUP was required or that short term rentals were regulated in Laguna until the moratorium was publicized; (2) many STL hosts who inquired about permits were *told* by City personnel that if they were not doing STL’s full time or were just renting out a portion of their home that *an AUP was not required*; (3) the City’s arbitrary density requirements (e.g., minimum 6,000 square foot lot for STLs in the R1 area) is used to discourage over 54% of all

potential applicants from applying, even though a variance process can be applied for; and (4) the AUP process for STLs is costly (approaching \$1,500), exceedingly onerous and antagonistic to STL applicants, including a pattern and practice of intentional City delay in AUP processing (e.g., 60 days dragged out to over 8 months) and City anti-STL bias. In other words, there is a reason only 65 AUP's were in existence at the time of the moratorium, and today there are only 36 permitted STL's remaining in *all* of Laguna. That 50% AUP permitted reduction, in and of itself, is evidence of the adverse impact the moratorium, the STL Ban Ordinance and the City's actions have had on visitor serving uses and costal access. *(It is noted that the City's density requirements ensnare the majority of homes in Laguna, which were built long before any such density requirements existed. Further, the City fails to mention that a variance can be applied for if an AUP applicant does not meet the minimum density requirements, although variance waivers for STLs have been only grudgingly approved.)*

So when is a right not really a right? When an ordinance like Laguna's prior STL ordinance does more to eliminate a right than grant a right, not by the language of the ordinance itself, but by the biased actions of the City in processing AUPs for STLs. Yet, under the guise of being part of Laguna's original LCP, it led the CCC to believe that this important visitor serving use was a viable option for providing lower cost accommodations in Laguna. But it is clear the City's actions of discouraging STLs and denying AUPs defies the ability to actually provide this visitor serving use in any substantial manner.

Nimbyism and Hysteria. After decades and decades of well known and loved vacation rentals in Laguna Beach (and even promoted by the City's own "Visit Laguna Beach" tourism branch which it funds with \$2 Million per year), the City has suddenly "determined" that residential STL's are now "inconsistent with general plan policies, including... local housing stock." Without any substantiation except NIMBYism, the City has jumped to the fear mongering conclusion pitched in public hysteria that STLs "cause pervasive serious adverse impacts to residential neighborhoods that cannot be effectively addressed through a permitting process." The fact is that the City *never* even attempted to reasonably regulate STLs under the old ordinance. It simply slapped a moratorium in place for 16 months and then passed the STL Ban Ordinance, based on nothing more than hysteria promoted by a vocal minority group with accusations of mountains of trash, wild loud parties, parking abuses, child molesters, drug addicts, thieves, and "strangers" in neighborhoods, igniting a frenzy of substantially inflated and unfounded fears.

The City *did not even attempt* to enforce its existing STL ordinance. It refused to balance the interests of the parties, and completely disregarded the interests of thousands of visitors who would prefer the lower cost and convenience of a home style coastal vacation over an over-priced hotel room and exorbitant restaurant meals. Thousands of cities throughout California and the United States are able to successfully manage STL's in residential zones with reasonably balanced and enforced regulations. Laguna has become elitist.

Grandfathering 36 Permitted STLs is Not a Promotion of STL's as an Important Visitor Serving Use. The City tries to persuade the CCC that under the STL Ban Ordinance it graciously allows "continuation of existing permitted STL's as uses running with the land... as long as they "operate with consistent applicable standards." That attempted persuasion falls flat for several

reasons: (1) the City would risk legal action if they revoked existing AUPs as they are vested property rights, so the “graciousness” is non-existent; (2) there were only 65 permitted STL’s to begin with, now down to 36, so the gracious “continuation” is a numerical farce; and (3) since the moratorium over the past 24 months, the City has engaged in an attack on all STLs, including engaging in entrapment and seeking out minimal infractions in an effort to revoke even permitted STLs, and enabling people to make up outrageous complaints about neighboring STLs. The “grandfathering” of 36 remaining permitted STL’s hardly promotes this “important visitor-serving use.” Grandfathering a mere 36 STLs while banning hundreds of previously existing residential STLs is hardly promotion, it’s a drastic reduction that has and will continue to have a material adverse impact.

No Evidence Supports the Claim that Effective STL Regulation Is More Appropriate in Commercial Districts. The City’s claim that STLs would be more effectively regulated more appropriately in commercial districts also falls flat. The City provides no evidence or support that commercial areas are any more or less effectively regulated than residential areas. This is simply an unsubstantiated opinion, or as the City says “its belief.” STL’s in residential zones have operated for decades in Laguna with little to no concerns.

The City’s Claim of Available STL Residential Units in the Commercial Zone is Misleading, And it is False That Their Number Could Ever Equal the Loss of Residential Zone STLs. In yet another false statement, the City states in its October Letter that it is “expanding the number of allowable commercial districts where STL’s may be permitted” and that it has identified 789 properties in commercial zones that would allow up to 2816 residential units to be utilized for STLs. These numbers are inflated and misleading. First, of the 789 properties “identified”, a substantial number of those properties prohibit STLs, either in their CC&Rs, their multi-tenant complex documents and leases, and/or are limited to “senior housing” or “low income” housing. Further, these numbers were apparently arrived at by a summer intern who simply looked at City GIS maps, but did not independently verify that the properties could or would be used as STLs, or that density and parking requirements could be met. Further, STLs were already permitted in most of these Commercial Zones. If owners wanted to operate STLs on those properties they would have done so in the past. The fact that only **10 permitted STLs** currently exist in these Commercial Zones is strong evidence that these identified property owners have chosen other more preferable uses for those properties, and that residential zone STLs remain more desirable to visitors and property owners alike.

There have been no residential projects built on one story commercial buildings in the downtown Commercial Zone in the past ten or more years. Even if built, the owner would be required to provide on-site parking to secure a building permit for the residential space on the second story. And with the extremely limited parking already existing in the downtown area, it is highly unlikely that commercial property owners would be able to satisfy those parking requirements, and therefore unlikely that such residential housing would be built.

Geography Claim is Bogus. The City also tries to convince the CCC that the “geography” of the Commercial Zones are more desirable to visitors by being “near shore”, defined as “within 200’ (one lot depth) from the shoreline.” While being within 200’ from the shore may be desirable, it would be cost prohibited for most, not an affordable accommodation.

That's the "high rent" district where the most expensive hotels are located. Further, there are relatively few residential units that would even be available as STL's within 200' of the shoreline as the overwhelming majority of buildings there are restaurants, bars, galleries, gas stations, retail stores and hotels. Those areas are also impacted by the greatest amount of coast highway traffic, noise and congestion, and not well suited to families. In addition there are many visitors to whom the beauty of Laguna's geography are the views from the upper elevations, particularly the sunsets and twinkling lights from the Palos Verde Peninsula to Dana Point. The far majority of homes in Laguna are within 1 mile of the beach, easy walking distance to the coast and accessible by City buses and the free trolley. Even homes up by Alta Laguna Park, at the very top of the highest hillside in Laguna, are under 2.5 miles to the beach and easily beach accessible.

Many visitors also seek the pristine tidepools and more secluded cove beaches over Main Beach and the Commercial Zones, areas like Woods Cove, Moss Beach, Diver's Cove, Shaw's Cove, Victoria Beach, Thousand Steps, etc. The Commercial Zone/Main Beach area is frequently inundated with day trippers, and visitors have to contend with the growing homeless population that camps out at Main Beach during the day. For all these reasons, residential zone STLs are not only more affordable, but more desirable as well. In addition, spreading STLs throughout both commercial and residential zones disperses the impact of aggregating all STL's in one particular neighborhood or area.

STL Numbers and City Deceit. In the October Letter the City tries to persuade the CCC that the LCPA will "not create adverse impacts to lower cost visitor serving uses or access to the coast" by reasoning that since only 7 residential AUPs were approved in the two year period prior to the May 2015 moratorium, the STL Ban Ordinance will have "no material impact" on STL visitor serving use. As clearly shown above, there were approximately 1,000 STLs in Laguna prior to the moratorium, and the STL Ban Ordinance reduces overnight "visitor serving uses or access" by at least 45% and up to 65% in comparison to the available hotel rooms, which are frequently sold out months in advance. The far majority of STLs are in residential zones. The City is being deceitful and misleading in concluding that because there were only 7 new AUP's in 2013/2014 were approved, there is "no material impact" to prohibiting STLs in residential zones. Clearly if only 7 STLs were involved, there would have been no 16 month "emergency" moratorium, no witch hunts and pitch forks, no new STL Ban Ordinance, no 8 public city council meetings with dozens of speakers, and no planning commission and sub-committee meetings. The City clearly knew its STL Ban Ordinance was affecting hundreds of STLs that provided affordable accommodations to visitors, not just 7. Do not be fooled by the City's deceitfulness.

STL's DO Provide More Affordable Accommodations Than Traditional Hotels.

In its October Letter, the City claims that the "average" weekday rate for hotels in Laguna are from \$405 to \$234 (peak to low season) averaging \$292/night/per room, and for weekend rates \$505 to \$269 (peak to low season) averaging \$350/night. Those numbers are misleading and don't compare apples to apples. First, the City did not provide any information as to how the City calculated those rates. Without this information rate data can be easily manipulated, and apples are compared not to apples, but to oranges and bananas. For example,

are actual hotel rooms at each rate counted or are they just averaged across the number of hotels vs the number of generic rooms at each hotel? Are standard vs superior rooms calculated in the rate, or rooms with en suites, ocean views, balconies, free breakfast, parking fees, and facilities/resort fees? Are STL home hosted "gift baskets" of local goods taken into consideration? How about special amenities like kitchens and hot tubs? The variables are endless, and it is obvious that the price of each "extra" is tacked on to the cost of a hotel stay. As just one example, the Montage has over 250 rooms (20% of available inventory), with a *lowest* off-season, non-weekend rate of \$595/night, and weekend rate of \$695, parking charge of \$30/day and a resort/facilities fee.

In addition, in calculating STL rates, the City evaluated *only* the 36 AUPs (as opposed to the 1,000 STLs that existed in Laguna) in concluding that the average nightly rate for STL units was \$403. What the City didn't tell you is that the far majority of those 36 AUPs are not a single room with a queen bed. Most have multiple bedrooms, bathrooms, full equipped kitchens, decks, balconies, no-charge parking, breakfast included, and many are entire homes that can accommodate large families. Many also accommodate pets, and almost no hotels in Laguna do so. So the City is not comparing apples to apples, and is again intentionally misleading the CCC. A quick poll amongst two dozen unpermitted STL's in Laguna revealed average nightly rates between \$80 to \$190 (low to peak), averaging \$135 night (including both weekdays and weekends). Clearly there is a disconnect between the City's "data" and the real data that the City is hiding from the CCC to support its erroneous conclusion that STL's "do not offer a nightly rate significantly different" than traditional hotels.

As stated above, per VRBO/HomeAway, which primarily lists homes for rent, 834 unique listings have been active in Laguna. For 2015, there were 463 active rented listings, with an average party size of 3, average number of bedrooms of 2.6, and average booked nights of 7.8. Per VRBO/HomeAway data this calculates to \$161/night/per room, and with far better amenities like full kitchens and multiple baths, than hotels. That's a far cry from the \$403/night that the City represented to the CCC in its October Letter, and represents exactly the lower cost accommodations for visitor serving use that STLs provide. For AirBnB, the average rate per night would be even lower, as typically AirBnB accommodations are for single rooms and not entire homes. By banning STLs in residential neighborhoods the City is effectively eliminating hundreds of affordable housing options for visitors and families to vacation at the coast in Laguna.

As an actual example that STL's provide a more affordable housing option for a family or group of friends, one of our members, prior to the moratorium, had rented their 4 bedroom home out to a large family of 8 for \$4,000 for a week. That same family renting 4 hotel rooms for a week in Laguna at the average rates quoted by the City would be double that, over \$8600, plus taxes, plus parking, plus eating every meal out. There simply is no comparison.

NIMBYism and Big Hotel Money Led the Charge to Oppose STLs in Laguna.

One of the last truly affordable accommodations for visitors to Laguna Beach were the hotel rooms at Ben Browns, adjacent to the little 9 hole golf course. Tucked away in a canyon, it provided simple rooms and also some kitchens for visitors who could then walk or drive a mile

to Aliso Beach. Several years ago big money businessman Mark Christy bought the Ben Browns property, and spent many millions of dollars remodeling the grounds and rebranding the property as “The Ranch”, with high end luxury hotel rooms and 2 restaurants, making it no longer affordable accommodations for most visitors. It is then no surprise that Mark Christy financed the charge against STL’s in 2015 and 2016, spending thousands of dollars on “No STL” signs and local advertising, presumably out of concern that STL’s would adversely impact occupancy rates for his new high end hotel. He teamed up with Village Laguna, a small local but vocal activist group of older residents, mostly in their 60s and 70’s, who are anti-tourist and opposed to almost anything “new” in Laguna, and are tied to a number of sitting council members in Laguna.

Following the money, it becomes abundantly clear who is behind the anti-STL movement in Laguna Beach.

The City Has a Pattern and Practice of Denying and Delaying Processing of STL AUPs in Bad Faith and exhibiting anti-STL bias.

Only 7 AUPs were processed during 2013/2014, prior to the City’s moratorium. For the City to outrageously claim that it can replace the number of residential STLs by only allowing STL’s in the Commercial Zone is pure fiction. There is no way the City could possibly replace 1,000, let alone 500 or even 200, STL units in the Commercial Zone, based on the past history of only 7 AUPs for STLs over a two year period. In other words, the City’s “equivalent replacement” claims are highly exaggerated and false. The far majority of STLs have *always* been in residential areas, and they cannot be easily replaced.

Further, there is substantial evidence of the City’s intentional bad faith in processing AUPs for STLs. A small handful of AUPs for STLs have been submitted by a few brave residents over the past 8 months for processing under the old ordinance pending the CCC’s review of the LCPA. These AUPs *should* have been processed in *60 days*. But instead the City has delayed, been non-responsive, given false information, and otherwise deliberately obstructed the processing of these AUP’s for many months, while at the same time costing the STL applicants considerable time and thousands of dollars in fees and costs. Some AUP applications have languished for over 8 months, effectively an illegal extended moratorium.

Further, two weeks ago, after dozens of repeated demands to timely process the STL AUPs in accordance with Laguna’s municipal code, the City finally sent out notices to the required 300 foot radius neighbors. But, in doing so, it is believed the City actively engaged in influence peddling by alerting known anti-STL activists of the notices being mailed and encouraged them to request to be on a notification list, even though none of these activists live within the required 300 foot radius. How else could one explain the sudden “notification list” with dates coinciding with the mailing of the notices? Hearings, of course with objections to the STL AUP applications, are being scheduled for May. Given the City’s obvious bias and bad faith, the STL AUP applicants are not optimistic that their AUPs will be granted, although there may be a “token” approval in an attempt to persuade the CCC otherwise.

Another example of City anti-STL bias can be found sitting in the Mayor's seat. Mayor Toni Iseman (a former CCC member), who is associated with and a supporter of the NIMBY activist group Village Laguna, was recently caught red handed exhibiting anti-STL bias in a "de novo" appeal of the City's decision to revoke an existing residential AUP (one of the few remaining permitted AUPs in existence). Mayor Iseman mistakenly sent an email to the STL AUP holder who was appealing the City's revocation of her AUP, which was obviously intended for City eyes only (presumably the City Manager and the City Attorney). Although the appeal was required by law to be conducted impartially on a "de novo" basis, the Mayor's email made it clear she intended to uphold the revocation, even without reviewing the evidence, and before conducting the hearing. Fortunately, the AUP holder hired an attorney to represent her, and after the errant email was disclosed and the Mayor's obvious bias exposed, the council was left with no choice but to reverse the revocation of the STL AUP. This is just one more example of how the City tells the CCC one thing, but with its actions does just the opposite.

Do not be fooled by words, look at the actions. The City is anti-STL and will do all it can to revoke and deny as many AUP's as possible, and under the STL Ban Ordinance there will never be a replacement for all the lost STL affordable accommodations.

Conclusion.

As clearly shown above, for the City to claim the LCPA "does not have an impact, individually or cumulatively, on coastal resources" is pure fabrication. Not only is the LCPA (and STL Ban Ordinance) *not* "de minimus", the LCPA would have a substantial and material adverse impact on coastal resources, including but not limited to affordable overnight accommodations and access to the coast. Many visitors travel many miles, by car and by plane, to visit, stay, play and explore our beautiful coast, and in particular the Laguna Beach State Marine Reserve and Laguna Beach Marine Conservation Area. As a tidewater docent with the Laguna Ocean Foundation, I speak with thousands of these visitors every year who visit Laguna's tidepools. *The new City ordinance banning STLs in residential neighborhoods effectively ends over 100 years of affordable family access to Laguna Beach ...from renting a tent (1900 -1920's) to renting a house for a week or two to enjoy our beautiful coast and beaches of Laguna. Please preserve affordable coastal vacation rentals for these visitors, and don't give into the elitism and NIMBYism of a vocal few, nor be misled by the manipulation of facts and false self-serving statements provided by City.*

STL's *can* be reasonably regulated in both residential and commercial zones. Neighborhood concerns *can* be effectively addressed through a reasonable permitting process and enforcement of permit conditions for violations. These costs are more than offset by the temporary occupancy tax imposed on STLs. In addition there are businesses that provide effective monitoring and enforcement services for \$60,000 per year, and many cities in California have successfully crafted reasonable ordinances that strike a sustainable balance. For many coastal visitors, staying in residential homes and home environments is preferable to traditional hotels, and *much more affordable*, especially for families. STL's also encourage visitors to Laguna Beach to spend and shop locally, and reduce congestion because they are actually lodging in Laguna, and not contributing to the daily congestion of day-trippers to the coast.

We have repeatedly reached out to the City and each member of the City Council, offering to work with them to craft a reasonably balanced STL ordinance. But the City has flatly refused reasonableness, or even the courtesy of a response. As a result, Laguna now finds itself on the defensive end of an avoidable lawsuit to enforce compliance with their own LCP, the Coastal Act and CEQA, and is needlessly wasting our taxpayer dollars.

Please feel free to contact me at any time, and thank you for your taking the time to review this letter.

Respectfully submitted,

Jennifer W. Zeiter

Jennifer W. Zeiter
2599 Glenneyre Street
Laguna Beach, CA 92651
949-715-8736 or 408-832-7786 cell
Homesharing4Laguna
(Laguna Beach citizens STL advocacy group)

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Less than 3 Persons	12.00	2.50
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South Coast Region

APR 28 2017

CALIFORNIA
COASTAL COMMISSION

April 19, 2017

Attn: Marlene Alvarado
Case No. - LCP -5-LGB-16-0055-1
California Coastal Commission
200 Oceangate, Ste. 1000
Long Beach, CA 90802

Dear Ms. Alvarado:

I wanted to take a moment to write to you about a matter of great concern. As you know the City of Laguna Beach recently passed a new ordinance that bans Short Term Rentals (STR) of less than 31 days in residential areas (R2).

Thanks to the intervention of the California Coastal Commission this new ordinance has been put on hold pending meetings with Coastal Commission representatives that are scheduled to commence on May 4th.

As you enter into those meetings I wanted to provide you with two facts that are contrary to the assertions made by the City.

1. **Owners of these properties charge upwards of \$475 per night.** Further they assert that this makes the short term rental market out of reach for the middle class. Their data is in error. I charge \$116-\$125 for my cottage. It is among the lowest price options for overnight stays in Laguna Beach during peak periods and makes the coast accessible to the middle class. It should be noted that it is not simply the nightly charge that makes this option affordable to the middle class. It is also the ability to cook in the unit and not eat out for every meal.
2. **Occupants of short term rentals are loud, unruly and disrupt the neighborhood atmosphere.** None of us are interested in having a proliferation of STRs that disrupt neighborhood environment. There are mitigating conditions that could have been written into the new ordinance that were not adopted despite being recommended. For example, I am the property owner of a duplex, one of which was an STR, and I live ON PREMISES. I am not interested in renting to "partiers". Most of my renters are relatives of my neighbors. I do not use ANY Web based advertising because it is

required that I meet the individual face to face prior to signing an agreement or that they are recommended by a neighbor who is known to me. It was my recommendation to the city that they use existing code enforcement and increase the fines and revoke permits of short term rental permit holders who disrespect the neighborhood. Instead they chose to ban them completely.

There are several other generalized assertions that the city has made in their rationale for approving such an extreme ban on Short Term Rentals in residential zones. It is my position that the current ordinance is too extreme and has removed hundreds of affordable rental options, such as mine, from the City of Laguna Beach. Despite being approached by community members in an effort to work with the City to develop an ordinance that is more moderate in its approach, the city has not been swayed.

I was originally informed (as were others) in the late 1990s that I did not require a permit because I lived on premises. I operated an STR intermittently over 15 years without incident. I was then assured by a City Council member that "owner on premises" STRs would be permissible in residential neighborhoods in the new ordinance. (This condition was subsequently not included in the final version.)

I currently have an AUP application pending for a Short Term Rental with the City (AUP # 16-2497) for 222 Cypress Drive. It has 2 parking spaces and is limited to NO MORE than one occupant. Under the new ordinance, even an STR with this very small footprint and owner living on premises would not be permitted. It is being processed under the existing rules since the new ordinance not yet in place due to your intervention. *I want to applaud the efforts of the Coastal Commission to push the city toward a more moderate approach.* I hope that these facts that I have shared with you in this letter are helpful to you in your meeting with them on May 4th. Please do not hesitate to contact me at 949-235-3250 or wcrimp@aol.com if you require any additional information.

Thank-you for your consideration,

A handwritten signature in black ink, appearing to read "Wendy R. Crimp". The signature is fluid and cursive, with a large initial "W" and "R".

Wendy R. Crimp BSN, MBA, CPHQ

220 Cypress Drive

Laguna Beach, Ca 92651