

**CALIFORNIA COASTAL COMMISSION**

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Filed: 07/15/20  
 180<sup>th</sup> Day: 01/15/21  
 Staff: MR-LB  
 Staff Report: 11/19/20  
 Hearing Date: 12/10/20

**STAFF REPORT: REGULAR CALENDAR**

**Application No.:** 5-20-0031

**Applicant:** City of Torrance

**Location:** Citywide within the Coastal Zone, City of Torrance, Los Angeles County

**Project Description:** Regulation of Short Term Rental uses citywide in the coastal zone, allowing hosted Short-Term Rentals in the R-1, R-2, R-3 and R-4 Residential Zones, and permitted with or without hosts in residences on lots within C-1 Commercial Zones.

**Staff Recommendation:** Approval with conditions

**SUMMARY OF STAFF RECOMMENDATION**

Commission staff is recommending **APPROVAL** of the City's proposed short-term rental ordinance to implement new regulations and standards for the operation of short-term rentals, or vacation rentals within the coastal zone. Short Term Rentals (STRs) generally refer to the short-term rental (30 days or less) of private dwelling units or a room in a home by tourists and other travelers visiting the area.

Currently, the City of Torrance does not prohibit the operation of short-term rental uses in the coastal zone. On December 17, 2019, the City adopted City-wide Ordinance No. 3861 amending Chapter 2 of Division 9 of their Municipal Code by adding Article 43 Short Term Rentals, and amending Article 3 of Chapter 5 of Division 9 by adding a new section 95.3.48 Short Term Rentals, all provisions pertaining to STR uses to take effect within 30 calendar days. For portions of the City located within the Torrance Coastal Zone, the ordinance was to take effect within 120 days after adoption in order to give

the Commission sufficient time to process their Coastal Development Permit (CDP) application, which was April 15, 2020. However, according to communications with City staff, the City has and will not begin enforcing STR regulations for properties within the coastal zone until the Commission takes action on this CDP.

Changes proposed to Chapters 2 and 5 of Division 9 of the City's Municipal code that would apply in the coastal zone include a new restriction in residential zones, requiring all short term rentals on lots or parcels of land zoned for STR uses within the R-1, R-2, R-3 and R-4 zones to be operated as a home share. In commercial zones, STRs will be permitted in residences located on lots or parcels of land zoned for STR uses within the C-1 zone with or without a host. Moreover, the proposed ordinance would clearly define STRs, add new permitting requirements and operational standards, including, but not limited to parking requirements; afford a mechanism for neighbors to report problems; and establish provisions for the imposition of fines and penalties for violation of the regulations.

In the Torrance coastal zone there are approximately 1,076 residential units made up of single-family and multi-family dwellings. At least 12 residences identified in the coastal zone are operated as STRs and there are many more STRs operating outside the coastal zone. Currently, without regulations in place, most STRs in Torrance operate without a business license, without paying TOT, and without a permit. In recent years, with the advent of internet rental services such as Airbnb, HomeAway and VRBO, the short-term rental of homes, condominiums, and apartments in Torrance has substantially increased. The City has also observed an increase in the number of issues and complaints related to unregulated STRs in residential neighborhoods, such as noise, traffic, parking demand, and increased demand for City services. Absent a regulatory structure, the City has no ability to distinguish between the occasional sharing of one's home and the full conversion of homes to de-facto hotels.

The ordinance defines STRs as the rental of any residence, or portion thereof, for a period of thirty (30) consecutive calendar days or less. The proposed ordinance formalizes and maintains some allowances already established in the City, such as hosted STRs already permitted in the vast majority of the Coastal Zone through a Planning Administrative Action Permit (ADM). In commercial zones, STRs are permitted in residences with or without a host living onsite. In residential zones, STRs are permitted in residences solely as a home share with a host living onsite. Home sharing means an activity whereby a host provides lodging for guests in their residence while the host lives on site, as an incidental use of the residence, for the duration of each short-term rental period. A host is defined as the property owner, tenant, or person engaged in home sharing and whose residence is being advertised and operated as an STR. STRs involving new construction, enlargement, or significant remodeling of a residence require approval of a Conditional Use Permit (CUP).

The proposed ordinance also establishes a variety of regulations for STRs intended to limit neighborhood impacts from parties, noise, trash disposal, parking, and other related issues that are often raised in terms of STRs and community character. These proposed operational standards are generally similar to other standards the

Commission has approved for other communities, such as for the City of Laguna Beach, Oxnard, Carpinteria, and Ventura County as reasonable regulations to address potential STR issues.

The proposed ordinance would also limit the number of rentals within a multi-family residence that will be allowed to operate as an STR to one unit per every thirty residential units whether hosted or un-hosted, and only one STR booking or stay by guests allowed per residence at a single time. This restriction, according to the City, prevents an apartment building from becoming a de-facto hotel, and prevents erosion of the availability of rental stock within the City. The City contends that by restricting STRs to solely home share in residential zones, the City protects its long-term housing stock and avoids having the character of its residential communities substantially altered. In addition, adequate numbers of STR accommodations could potentially be provided for coastal visitors in the commercial zone within mixed-use development that could potentially provide up to 24 STRs with or without a host.<sup>1</sup> Furthermore, the City's ordinance does not impose separation requirements (i.e. requiring a certain distance between vacation rentals) as is common in other coastal cities.

STRs provide a significant supplement for visitor accommodations promoting public access and visitor-serving opportunities to coastal communities. Depending on site-specific circumstances, STRs, including home shares<sup>2</sup> and hosted stays<sup>3</sup> can sometimes provide a lower cost option compared to a traditional hotel. The Coastal Act contains policy language that protects and prioritizes lower-cost visitor and recreational facilities and requires that public coastal access be maximized. The Commission has found that visitor-serving overnight accommodation uses, including STR units, help maximize the opportunities provided for the public to access the coast. These units can increase public coastal access by providing a wider selection of overnight accommodations in the Coastal Zone to groups and families that might not otherwise be able to afford a more expensive traditional option (i.e. hotels), and by including more units in areas where residential communities directly flank the shoreline. At the same time, the Commission has recognized legitimate community concerns over potential adverse impacts associated with vacation rentals, with respect to housing stock and affordability, community character, noise, and traffic impacts.

Typically, STR regulations are contemplated by the Commission within the context of a jurisdictions' Certified Local Coastal Program (LCP). In the Commission's past actions, the Commission has approved STR regulations in the following LCPs: County of Ventura (LCP-4-VNT-18-0058-1), City of Pismo Beach (LCP-3-PSB-18-0051-1), County of Santa Cruz (3-SCO-18-0032-2-Part B), City of Del Mar (LCP-6-DMR-17-0083-3) and

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<sup>1</sup> Currently in the Torrance coastal zone there are two properties zoned for commercial uses and developed with a mixed-use structure: 315 Vista Del Mar is developed with commercial and one residential unit, allowing one STR with or without a host; and 129-131 Palos Verdes Blvd., which is developed with commercial suites and 23 condominiums, allowing up to 23 STRs with or without a host.

<sup>2</sup> The proposed ordinance would define "Home sharing" as "an activity whereby a host provides lodging for guests in their residence while the host lives on site, as an incidental use of the residence, for the duration of each short term rental period.

<sup>3</sup> The proposed ordinance would define "host" as the property owner or person engaged in home sharing and whose residence is being advertised and operated as a short term rental.

City of Laguna Beach (LCP-5-LGB-19-0074-1). Since the City of Torrance does not have a Certified LCP, they are seeking a coastal development permit for this change in use within the coastal zone.

In order to be consistent with the public access policies of Chapter 3 of the Coastal Act, local jurisdictions in the Coastal Zone that have concerns about the impacts of STRs have been required to develop a framework to appropriately regulate the establishment and operation of STRs, rather than overly restrict this use or otherwise significantly diminish its visitor-serving utility. In each of these LCP amendments referenced above, each case presented its own set of unique issues based on local circumstances but, as a general rule, the approved LCP amendments provide for standards for continued STR operations in private residential dwellings, rather than a blanket ban of STRs, consistent with public access policies.

In this case, although the proposed ordinance would restrict traditional STRs by requiring all STRs in all residentially zoned areas to be hosted, there is no limitation on the number of hosted STRs, unlike some other cities where there is a cap on the number of home-shares allowed. Here, there are local circumstances specific to the City of Torrance that distinguish it from other coastal Cities; specifically the City of Torrance has a uniquely small coastal zone compared to neighboring cities and because there is less land area in the coastal zone, there are naturally less visitor serving amenities, less commercially zoned land, and therefore less opportunity for traditional STRs. However, there are ample traditional overnight accommodations located within close proximity of the Torrance coastal zone

In 2019, the City estimated that there were approximately 250 to 350 short term rentals located Citywide, and recent information suggests there are only approximately 6 to 12 traditional STRs currently operating within the coastal zone. The proposed City ordinance would not “grandfather” (authorize as permitted uses) the existing STRs operating without a host onsite in residential areas. The ordinance permits STRs with or without a host in residences in commercial zones, which could provide up to 24 STRs. According to the City, there are 13 parcels located within commercial zones that have potential for future mixed use or residential development, allowing up to 94 new residential units that could increase the housing stock and, if all 94 units are condominium units, there could be 94 additional STRs. If these sites are developed with apartment buildings, the ordinance protects the rental housing stock and a maximum of 3 units could be used as STRs (one per thirty units).

Therefore, as proposed, the ordinance is not a ban of STRs, but instead allows for unlimited hosted STRs in residentially zoned areas and provides for up to 24 new STRs in commercially zoned areas in order to provide overnight accommodations to maximize coastal access, while protecting community character of the residential neighborhoods and avoiding displacement of rental housing units. Therefore, Commission staff is recommending **approval** of the coastal development permit application for the ordinance with one minor clarification regarding parking. Thus, as conditioned, the project will be consistent with the Chapter 3 policies of the Coastal Act.

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## EXHIBITS

- Exhibit 1 – Vicinity Map
- Exhibit 2 – Housing Stock with Coastal Zone Overlay
- Exhibit 3 – City Council Ordinance 3861
- Exhibit 4 – Overnight Accommodations within Coastal Zone Vicinity
- Exhibit 5 – Existing Short Term Rentals in the Torrance Coastal Zone
- Exhibit 6 – Aerial of Coastal Zone and Topography
- Exhibit 7 – Torrance Zoning Map

## MOTION AND RESOLUTION

### Motion:

I move that the Commission approve Coastal Development Permit No. 5-20-0031 pursuant to the staff recommendation.

Staff recommends a **YES** vote. Passage of this motion will result in approval of the permit as conditioned and adoption of the following resolution and findings. The motion passes only by affirmative vote of a majority of Commissioners present.

### Resolution:

The Commission hereby approves the Coastal Development Permit for the proposed project and adopts the findings set forth below on grounds that the development as conditioned will be in conformity with the policies of Chapter 3 of the Coastal Act and will not prejudice the ability of the local government having jurisdiction over the area to prepare a Local Coastal Program conforming to the provisions of Chapter 3. Approval of the permit complies with the California Environmental Quality Act because either 1) feasible mitigation measures and/or alternatives have been incorporated to substantially lessen any significant adverse effects of the development on the environment, or 2) there are no further feasible mitigation measures or alternatives that would substantially lessen any significant adverse impacts of the development on the environment.

## STANDARD CONDITIONS

- 1. Notice of Receipt and Acknowledgment.** The permit is not valid and development shall not commence until a copy of the permit, signed by the applicant or authorized agent, acknowledging receipt of the permit and acceptance of the terms and conditions, is returned to the Commission office.
- 2. Expiration.** If development has not commenced, the permit will expire two years from the date on which the Commission voted on the application. Development shall be pursued in a diligent manner and completed in a reasonable period of time. Application for extension of the permit must be made prior to the expiration date.
- 3. Interpretation.** Any questions of intent or interpretation of any condition will be resolved by the Executive Director or the Commission.
- 4. Assignment.** The permit may be assigned to any qualified person, provided assignee files with the Commission an affidavit accepting all terms and conditions of the permit.
- 5. Terms and Conditions Run with the Land.** These terms and conditions shall be perpetual, and it is the intention of the Commission and the applicant to bind

all future owners and possessors of the subject property to the terms and conditions.

## SPECIAL CONDITIONS

- 1. Future Permit for Any Changes to Short-Term Rental Regulation.** This permit is only for the development described in CDP No. 5-20-0031, which includes Ordinance No. 3861 as of November 19, 2020. Any changes to the aforementioned Short Term Rental Ordinance or changes in implementation of the ordinance shall be submitted for review by the Executive Director to determine whether an amendment to this coastal development permit is necessary pursuant to the requirements of the Coastal Act and the California Code of Regulations. If the Executive Director determines that an amendment is necessary, no changes shall be made effective until a permit amendment is approved by the Commission and issued by the Executive Director.
- 2. Off-Street Parking.** A minimum of one **off-street** parking space shall be provided onsite per each short term rental unit, in addition to the required parking for the existing residential use. A driveway area may be utilized for short term rental parking provided that no sidewalk or public right-of-way is obstructed. Either an enclosed or unenclosed parking space may be provided and must be a minimum of 10 feet wide by 20 feet in length, clear and unobstructed.

## FINDINGS AND DECLARATIONS

### A. Project Description and Background

The City of Torrance has proposed a short term rental ordinance to implement new regulations and standards for the operation of short term rentals, or vacation rentals within the coastal zone. On December 17, 2019, the City adopted City-wide Ordinance No. 3861 amending Chapter 2 of Division 9 of their Municipal Code by adding Article 43 Short Term Rentals (STR's), and amending Article 3 of Chapter 5 of Division 9 by adding a new section 95.3.48 Short Term Rentals, all provisions pertaining to STR uses to take effect within 30 calendar days ([Exhibit 3](#)). For portions of the City located within the Torrance Coastal Zone, the ordinance was to take effect on April 15, 2020, within 120 days after adoption in order to give the Commission sufficient time to process their Coastal Development Permit (CDP) application. However according to communications with City staff, the City has and will not begin enforcing STR regulations for properties within the coastal zone until the Commission takes action on this CDP.

Changes proposed to Chapters 2 and 5 of Division 9 of the City's Municipal code that would apply in the coastal zone, include a new restriction in residential zones, requiring short term rentals to be operated as a home share on lots or parcels of land zoned for STR uses within the R-1 (Single Family Residential Zone), R-2 (Two-Family Residential Zone), R-3 (Limited Multiple Family Residential Zone), and R-4 (Unlimited Multiple

Family Zone. In Commercial zones, STRs will be permitted in residences located on lots or parcels of land zoned for STR uses within the C-1 (Retail Commercial Zone) with or without a host.

The City estimates that there are currently approximately 250 to 350 STRs in the City of Torrance, including approximately 12 in the City's coastal zone ([Exhibit 5](#)). The City observed an increase in a number of issues and complaints related to unregulated STRs in residential neighborhoods, such as noise, trash, and parking problems. In response to this, the City began an STR public outreach effort in 2016 and studied the issue in order to develop STR regulation recommendations for the Planning Commission and City Council. A number of public hearings were held by the City between March 2016 and September 2019. In response to these meetings, the proposed ordinance was developed to authorize hosted short term rentals as an allowed use in residential zones and allow a number of un-hosted units in commercial zones, and at the same time, put regulations in place to address concerns raised by residents.

As proposed, this CDP would approve the ordinance which defines STRs as the rental of any residence, or portion thereof, for a period of thirty (30) consecutive calendar days or less. It imposes new standards and limits on STRs, and eliminates these rentals as an allowable use in the R-1, R-2, R-3 and R-4 residential zones without a host, and allows STRs in commercial zones developed with residential uses with or without a host living onsite. In residential zones, STRs are permitted in residences solely as a home share with a host living onsite. Home sharing means an activity whereby a host provides lodging for guests in their residence while the host lives on site, as an incidental use of the residence, for the duration of each short term rental period. A host is defined as the property owner, tenant, or person engaged in home sharing and whose residence is being advertised and operated as a short term rental, but the host need not be the property owner. Although there is no distance requirement between STRs, additional limitations include only one STR period, reservation, booking, or stay by guests to be allowed per residence at a single time, and only one unit in every thirty (30) residential units located within a multi-family residence to be allowed to operate as a short term rental per lot or parcel of land. The provision regulating the number of STRs located within a multifamily residence (apartment building) is not applicable to multiple owner-occupied residential developments (condominiums/townhomes). Condominiums and townhomes in commercial zones may have unlimited STRs and in residential zones may have unlimited home-sharing. The ordinance also requires that a minimum of one (1) parking space be provided onsite per short term rental.

Certain types of residential units would be ineligible for use as STRs under the proposed ordinance, such as accessory dwelling units (ADUs), however, the ordinance does allow for the host to stay in the ADU, as long as the renter stays in the main residential unit. Units with non-compliant off-street parking would also be excluded.

The approximately 12 pre-existing STRs (existing before approval of this CDP) will no longer be permitted to operate without a host, and have been given a 6-month grace period from the time the Commission takes action on this CDP, to come into compliance

by applying for a City permit. Although the City in 2019 indicated that there are approximately 12 STRs in the City's coastal zone, the City maintains that number fluctuates between 2 and 12 depending on the time of year, and only 6 short term rentals were recently identified as currently operating. Currently, without regulations in place, most STRs in Torrance are doing so without a business license, without paying TOT, and without a permit.

The proposed ordinance would clearly define STRs, add new permitting requirements and operational standards, including, but not limited to, maximum occupancy and parking requirements; afford a mechanism for neighbors to report problems; and establish provisions for the imposition of fines and penalties for violation of the regulations.

## **BACKGROUND**

### Setting

The coastal zone in the City of Torrance is relatively small compared to other coastal cities ([Exhibit 2](#)). The shoreline in the Coastal Zone of Torrance extends approximately one mile, and the area included in the City's coastal zone extends approximately two to four blocks deep, and is approximately 104 acres in the southwest corner of the City west of Palos Verdes Boulevard ([Exhibit 2](#)). The Coastal Zone is bounded on the north by the City of Redondo Beach and on the south by the City of Palos Verdes Estates. The area is almost totally developed with residential uses with a small light commercial center. This small inland commercial section abuts and is part of a larger commercial area in the City of Redondo Beach.

Torrance Beach extends the one-mile length of the Torrance coastal zone, and physical public access to the beach is limited due to the steep geography of the coastal bluff that surrounds the sandy beach that varies from approximately 50 to 120 feet in height, which is comprised of approximately 28 privately owned parcels developed with bluff-top single-family residences ([Exhibit 6](#)). The sandy beach may be accessed via the Torrance Beach parking lot on the north end, and a public trail down the bluff face in the southern end of the beach in Palos Verdes Estates. Access to Torrance beach is also provided from Redondo Beach by way of improved pedestrian paths and bikeways. This area is comprised of a mix of zoning with C-1 zoned commercial uses and one mixed-used project immediately south of Pacific Coast Highway ([Exhibit 7](#)). Further, south of Camino de la Costa and Calle Miramar, there is a concentration of multifamily uses zoned R-3. South of Calle Miramar and Via Riviera there are predominately single-family parcels zoned R-1, R-3, and PD, with one condominium community at the southern end of Paseo de a Playa. The balance of the Coastal Zone encompasses 13.3 acres of Public Use (beach and parkland) and 3.5 acres of Commercial Center designated properties.

As stated, the Torrance Coastal Zone is almost entirely developed with residential properties, both multi-family and single family dwellings, with three parcels zoned C1 (Commercial Retail), two of which are developed with mixed use that include residential units, and one developed with a restaurant/brewery. The housing stock in the Coastal

Zone consists of approximately 1,076 units, which is comprised of 170 single family units, 28 planned development units (single family), 152 condominiums, 100 multi family units (duplex/triplex/quadplex), and 626 apartment units ([Exhibit 2](#)).

The City asserts that with the growth of online rental services and preference for alternative overnight accommodations, there has been a significant rise of unregulated short-term rentals due to the City's coastal access and location within the Los Angeles area. While there are benefits to STRs, they also present challenges for the City's neighborhoods, its zoning regulations, and already limited housing stock. Various negative secondary impacts have been associated with STRs such as increased noise, traffic, parking demand and increased demand for City services.

Although there are currently no existing or planned overnight accommodations (e.g. hotels, hostels, or campsites) within the Coastal Zone of the City of Torrance, there are 19 existing overnight accommodations (e.g. hotels, motels) providing a total of 2,586 rooms within two miles of the coastal zone both within the City of Torrance and neighboring City of Redondo Beach ([Exhibit 4](#)).

#### Past Commission Action related to STRs in Other Coastal Communities

As in other coastal communities in California, STRs have proliferated over the years. What may have been predominantly summer and holiday vacation rentals have evolved into what is now in some cases a year-round business. The unregulated proliferation of such STRs has raised concerns regarding impacts to the preservation of neighborhood integrity, reductions in rental housing stock, public safety, increased traffic and parking difficulties, and other issues that have sometimes been associated with STRs.

As a reaction to such issues, cities are seeking to regulate STRs, and typically such regulations are contemplated by the Commission within the context of an amendment to a jurisdiction's Certified Local Coastal Program (LCP). Some LCP amendment proposals have been submitted to the Commission to ban STRs in certain communities (e.g. outright bans in all residential zones). However, such bans can conflict with the Coastal Act and LCP policies and objectives to protect and provide for visitor-serving opportunities and coastal public access. In general, rather than supporting restrictive bans of such uses, the Commission has encouraged allowance of this use and more targeted, responsive regulations of STRs that are based on applicable community and area specific factors.

In response to proposed amendments of the LCPs of the City of Laguna Beach (LCP-5-LGB-19-0074-1), the County of Ventura (LCP-4-VNT-18-0058-1), City of Pismo Beach (LCP-3-PSB-18-0051-1), County of Santa Cruz (3-SCO-18-0032-2-Part B), City of Del Mar (LCP-6-DMR-17-0083-3) and City of Encinitas (ENC-MAJ-1-06), in order to be consistent with Chapter 3 of the Coastal Act, the Commission has required that local jurisdictions provide a framework to appropriately regulate the establishment and operation of STRs, rather than overly restrict this use or otherwise significantly diminish its visitor-serving utility. Furthermore, there is a balance that must be achieved between maintaining the visitor-serving utility of STRs while preserving a City's rental housing stock. The Commission has approved a number of LCP amendments regulating STRs

in the Coastal Zone. Each of these LCP amendments presented unique issues considering geographic specificity, but the approved LCP amendments generally provide for standards for continued STR operations, rather than blanket bans.

## **B. Standard of Review**

The proposed development is within the City of Torrance, an uncertified jurisdiction. In 1981 the Commission approved with suggested modifications the City of Torrance Land Use Plan (LUP). The City did not accept the modifications and the certified LUP, which was valid for six months, lapsed. Therefore, the standard of review for the project is the Chapter 3 policies of the Coastal Act. The certified LUP policies may be used as guidance.

## **C. Public Access and Recreation**

Section 30210 of the Coastal Act:

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

Section 30213 states, in relevant part:

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

Section 30222 states:

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

Section 30213 of the Coastal Act requires that lower-cost visitor and recreation facilities be protected, encouraged, and where feasible provided. Section 30222 of the Coastal Act places a higher priority on the provision of visitor-serving uses designed to enhance public opportunities for coastal recreation over residential, industrial, or general commercial uses. Coastal Act Section 30210 requires that public coastal access be maximized.

The Commission has found that generally visitor-serving overnight accommodation uses, including STR units, help maximize the opportunities provided for all the public to access the coast. At the same time, the Commission has recognized legitimate community concerns associated with the potential adverse impacts associated with

vacation rentals, with respect to housing stock and affordability, community character, noise, and traffic impacts.

As stated, there are approximately between 6 and 12 unregulated STRs in the City of Torrance coastal zone depending on the time of year. According to the City, most of those STRs offer full house/condo/apartment rental without a host onsite. Although demand for STRs is highly variable and can change depending upon the season, time of year, growing population, etc., it can be assumed that the current demand for STRs in the City of Torrance coastal zone is likely near the number that is being provided by the unregulated units. The proposed ordinance would not grandfather the existing 6 – 12 STRs without a host onsite, but through the ordinance there could be an unlimited number of new hosted STRs in these residentially zoned areas.

The Coastal Act requires that lower-cost visitor facilities be protected, encouraged, and where feasible provided. The City has provided an inventory of existing accommodation types (i.e. hotel/motel rooms) located within two miles of the coastal zone within the City of Torrance and neighboring jurisdictions in various price ranges, including the number of rooms in each accommodation and averages of 2020 nightly room rates. These range from high-end hotels such as the Portofino Hotel and Marina in Redondo Beach where the rate varies between \$150 and \$300 per night, to the Moonlite Inn Redondo Beach where rates range from \$60 to \$80 per night. The rates range depending upon, among other things, the time of year (generally highest during summer weekends and lowest during winter weekdays). Based on 2020 nightly room rate information, the average nightly weekday rental rate for the existing hotel and motel rooms averaged approximately \$110 and \$163 on weekends. While these visitor-serving overnight accommodations exist within two miles of the Torrance coastal zone, there are presently no hostels, campgrounds, or other types of accommodations that are generally considered to be 'low-cost' available in the City's coastal zone.

As the City has pointed out, many of the STRs rent at similar average rates as the local hotel rooms, but there is wide variation in prices, as evidenced by an online search. Citywide, the estimated average nightly rate of an STR is between \$89 and \$185. Depending on site-specific circumstances, short-term rental of a residence can potentially provide a lower cost option than a traditional hotel room. For instance, this can be true when traveling with extended family or other larger groups where renting a single residence is less expensive than renting multiple traditional hotel rooms.<sup>4</sup> Short-term residential rental units also typically include full kitchen facilities, which allow overnight visitors the option of preparing meals in, a more affordable option than dining out.

In this case, a hosted STR permits owners and long-term residents who live onsite to be able to rent a spare room and host visitors in their homes. In a home share unit,

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<sup>4</sup> Even though the CDP would require STRs in residential zones to be hosted which would reduce the likelihood of being able to have access to kitchen facilities, the commercially zoned properties developed with residential uses could still provide unhosted access to an entire house/condo/apartment with access to kitchen facilities which is likely to be more cost-effective than renting multiple hotel or motel rooms for an extended family or large groups. Additionally, STRs that are home-shares are by their very nature less expensive than renting an entire unit privately.

because only a room or a portion of a residential unit is being rented, home share units sometimes provide lower-cost overnight accommodations and can be more affordable than traditional overnight accommodations and even more affordable than a traditional STR (i.e. hotel/motel and non-owner occupied STRs). Affordable low-to moderate-cost) overnight accommodations increase and maximize public coastal access by allowing visitors of all income levels to stay at the coast, consistent with the public access policies of the Coastal Act.

In all cases, STRs increase the range of options available to coastal visitors. Regardless of the cost, overnight accommodations are a high priority use because they allow for enhanced public access and visitor serving opportunities.

Despite also being significant visitor-serving destinations, cities such as the City of Del Mar have relatively few overnight accommodations for coastal visitors other than the surrounding two miles of Torrance's coastal zone. The City of Del Mar only has six hotels offering 355 rooms in total. In such areas in need of more overnight accommodations, short-term vacation rental units provide an important visitor-serving amenity that supports coastal access.

Unlike the City of Del Mar, the City of Torrance has a relatively small coastal zone area with no hotels and does not currently provide many visitor-serving commercial uses or amenities. The coastal zone area in the City of Torrance is primarily residential and is not a typical coastal destination for visitors. Coastal visitors that do make it to Torrance are more likely to stay and recreate in neighboring Redondo Beach where there are a number of overnight accommodations and visitor-serving amenities for coastal visitors within two miles or less. The City of Torrance has estimated there are approximately 19 existing hotels and/or motels serving coastal visitors providing 2,586 existing hotel/motel lodging units within two miles of the City's coastal zone. The City of Torrance has far less land area in the coastal zone than the above-mentioned cities, and because there is an existing pool of nearby overnight accommodation facilities, specific restrictions on STRs in this small coastal community may be appropriate.

Requiring STRs in residentially zoned areas of the coastal zone to be hosted allows for maximized public coastal access while preserving the City's available housing stock, preserving the existing lower cost hotel/motel stock in the City just outside the coastal zone, and prevents STRs from negatively impacting the neighborhoods and community character. This ordinance provides lower cost public visitor-serving opportunities while maintaining the residential character of the coastal neighborhoods that make up the Torrance coastal zone. To ensure that the ordinance does not reduce on-street parking, which could impact public access to the coast by reducing the amount of parking available for coastal users, Commission staff recommends imposing **Special Condition 2** mandating that the required parking space for an STR to be off-street. In addition, if the City proposes any changes to the Short Term Rental Ordinance, pursuant to **Special Condition 1**, those changes shall be submitted for review by the Executive Director to determine whether an amendment to this coastal development permit is necessary pursuant to the requirements of the Coastal Act and the California Code of Regulations.

As proposed and conditioned, the ordinance provides an appropriate balance to continue to accommodate STRs in a manner that would not contribute to a loss of lower-cost overnight accommodations, unduly restrict the rental of residential units to visitors, or diminish the public's ability to access and recreate on the coast. The proposed ordinance, as conditioned, is therefore consistent with Sections 30210, 30213, and 30222 of the Coastal Act.

#### **D. Local Coastal Program**

Coastal Act Section 30604(a) states that, prior to certification of a local coastal program ("LCP"), a coastal development permit can only be issued upon a finding that the proposed development is in conformity with Chapter 3 of the Act and that the permitted development will not prejudice the ability of the local government to prepare an LCP that is in conformity with Chapter 3:

(a) Prior to certification of the Local Coastal Program, a coastal development permit shall be issued if the issuing agency, or the commission on appeal, finds that the proposed development is in conformity with the provisions of Chapter 3 (commencing with Section 30200) of this division and that the permitted development will not prejudice the ability of the local government to prepare a Local Coastal Program that is in conformity with the provisions of Chapter 3 (commencing with Section 30200). A denial of a coastal development permit on grounds it would prejudice the ability of the local government to prepare a Local Coastal Program that is in conformity with the provisions of Chapter 3 (commencing with Section 30200) shall be accompanied by a specific finding which sets forth the basis for such conclusion.

On June 18, 1981, the Commission approved with suggested modifications the City of Torrance LUP. The City did not accept the modifications and the certified LUP, which was valid for six months, lapsed. The major issues raised in the LUP were affordable housing, bluff top development and beach parking.

Based upon the findings presented in the preceding section, the Commission finds that the proposed development, as conditioned, will not create adverse impacts on coastal resources. In addition, the Commission finds that approval of the proposed project will not prejudice the City's ability to prepare a Local Coastal Program consistent with the Chapter 3 policies of the Coastal Act, as required by Section 30604(a).

## **E. California Environmental Quality Act**

Section 13096 of Title 14 of the California Code of Regulations requires Commission approval of Coastal Development Permits to be supported by a finding showing the permit, as conditioned by any conditions of approval, to be consistent with any applicable requirements of the California Environmental Quality Act (CEQA). Section 21080.5(d)(2)(A) of CEQA prohibits a proposed development from being approved if there are feasible alternatives or feasible mitigation measures available which would substantially lessen any significant adverse effect that the activity may have on the environment.

As conditioned, there are no feasible alternatives or additional feasible mitigation measures available that would substantially lessen any significant adverse effect that the activity may have on the environment. Therefore, the Commission finds that the proposed project, as conditioned to mitigate potential impacts, is the least environmentally damaging feasible alternative and can be found consistent with the requirements of the Coastal Act to conform to CEQA.