

CALIFORNIA COASTAL COMMISSION

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Date: June 18, 2020

To: Commissioners and Interested Persons

From: Steve Hudson, District Director
Barbara Carey, District Manager
Deanna Christensen, District Supervisor

Subject: **City of Oxnard Local Coastal Program Amendment No. LCP-4-OXN-20-0008-1 (Short Term Rentals) for July 10, 2020 Commission Meeting**

SUMMARY OF STAFF RECOMMENDATION

The City of Oxnard is requesting an amendment to the Implementation Plan/Coastal Zoning Ordinance (IP/CZO) portion of its certified Local Coastal Program (LCP) to add regulations for short term rentals (STRs). Commission staff recommends that the Commission, after public hearing, **reject** the proposed City of Oxnard LCP Amendment No. LCP-4-OXN-20-0008-1 as submitted, and **certify** the proposed amendment only if modified pursuant to 3 suggested modifications. The modifications are necessary to ensure the proposed amendment to the IP/CZO conforms with, and is adequate to carry out, the policies of the City's certified Land Use Plan (LUP). All of the suggested modifications were developed in cooperation with City staff. The motions and resolutions to accomplish this recommendation are found starting on page 6 of this staff report.

Currently, the City's certified LCP does not explicitly define, regulate or prohibit STRs. However, STRs have historically operated in the City for many decades, particularly in the residential neighborhoods nearest to beaches, and the City currently collects a transient occupancy tax (TOT) on some of the existing STRs whose owners choose to pay it on a self-reporting basis. Currently, without regulations in place, most STRs in Oxnard 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 Oxnard has substantially increased. The City has also observed an increase in the number of issues and complaints related to STRs in residential neighborhoods, such as noise, trash, and parking problems.

The proposed amendment would allow STRs in all residential zones and would define "short term rentals" as the rental of a residential unit for a period of less than thirty (30) consecutive calendar days. The amendment also defines two types of short term rentals: vacation rentals and homeshares. A vacation rental is a type of STR in which the owner of the dwelling is not physically present for the rental period. A homeshare is

a type of STR in which the owner of the dwelling *is* physically present for the rental period. Both types of rentals would require property owners to obtain a short term rental permit from the City to operate, subject to the standards and requirements that are proposed in the subject amendment.

The proposed amendment would also limit the number of vacation rentals to no more than 5% of eligible residential units in each of the four coastal zone neighborhoods within the City: Oxnard Dunes, Oxnard Shores, Channel Islands, and Hollywood by the Sea (Exhibits 1-2). The City estimates that there are approximately 5,000 existing residential units in the City's coastal zone, and approximately 230 of those are currently STRs (which represents 4.6 percent of residential units in the coastal zone). The percentage of existing STRs in each of the four residential neighborhoods range from 3.5 to 4.8 percent. However, within the Residential Beachfront (R-BF) zone of the Oxnard Shores neighborhood (Exhibit 3), there is a higher concentration of existing STRs – 17.2 percent.

In addition to limiting the number of short term vacation rentals in each neighborhood, the proposed amendment would also limit vacation rentals within the R-BF zone of the Oxnard Shores neighborhood to five percent in order to break up the existing concentration of STRs within that zone so that STRs are more evenly distributed. The proposed amendment would also require that vacation rentals be separated from each other by 200 feet from property line to property line. Additional limitations on vacation rentals include a three-night minimum stay and that a dwelling may be used as a vacation rental for a maximum of 100 days per calendar year. The 5% neighborhood cap, 200 foot separation, and 100 day maximum per year requirements would only be applicable to vacation rentals. Homeshares would not be similarly limited.

The proposed amendment 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 adjacent communities, such as for Ventura County and the City of Carpinteria, as reasonable regulations to address potential STR issues.

However, the proposed vacation rental STR cap and 200 ft. separation requirements are overly restrictive with regard to the R-BF zone portion of the Oxnard Shores neighborhood, and Commission staff does not believe the amendment strikes a reasonable balance between ensuring availability of short term rentals for coastal visitors and preserving neighborhood character and long-term housing for local residents. Additionally, in other neighborhoods, the separation requirements can serve to restrict the percentage of the vacation rentals allowed below the 5 percent cap. Although the City's proposed 5 percent vacation rental cap for each of the four neighborhoods may theoretically allow a slight increase in STRs per neighborhood since the percentage of existing STRs in each neighborhood ranges from 3.5 to 4.8 percent, the 200 foot separation requirement between STRs may prevent a neighborhood from hitting this cap. In some cases, imposition of the separation requirement would result in the amount of STRs below the proposed five percent cap,

even under ideal (for STR density purposes) spacing. Further, within the Residential Beachfront (R-BF) zone of the Oxnard Shores neighborhood, where there is a higher concentration of existing STRs (17.2 percent) among the 93 beachfront homes, the proposed restrictions would allow less than five vacation rentals STRs, leading to a significant reduction of STRs in the City's only residential beachfront area that is the most desirable location for visitors.

Thus, the amendment, as proposed, does not adequately protect STRs as a valuable visitor-serving accommodation (that can often be lower-cost than other accommodations) within the City's coastal zone. Nor does it adequately protect public recreational and access opportunities (particularly in relation to the role that overnight accommodations play in providing such opportunities). The restrictions would result in reduced lodging options for the people who most need the economies of scale that STRs can offer to groups and families visiting the coast.

In order to account for the relative desirability to visitors of some areas compared to others, while also avoiding significant adverse impacts to neighborhood character and housing stock, Commission staff is recommending modifications to the City's proposed vacation rental cap and separation requirements. Specifically, staff recommends a modest increase of the vacation rental cap in the Residential Beachfront (R-BF) zone from 5% to 10% (Suggested Modification 1), and a reduction in the separation requirement within the R-BF zone from 200 feet to 100 feet. In addition, Commission staff is recommending another change to exempt existing STR properties from the neighborhood and R-BF zone vacation rental cap and separation requirement if the owner of an existing STR property previously paid transient occupancy taxes to the City and complies with the other requirements of the STR ordinance, including obtaining an STR permit in a timely manner and operating in compliance with the STR permit. The suggested modifications were developed in close coordination with City staff, and Commission staff believes these changes would not unduly restrict the rental of residences to visitors in a manner that will diminish the public's ability to access and recreate on the coast, nor detract from the City's goal to preserve neighborhood character. The amendment, as modified, also would preserve the availability of housing stock and long-term rentals and would not affect affordable housing.

Therefore, staff recommends that the Commission approve the amendment with suggested modifications. If modified as suggested, the proposed amendment is consistent with and adequate to carry out the LUP.

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EXHIBITS

[Exhibit 1 – Oxnard Coastal Zone Neighborhood Map – Vicinity](#)

[Exhibit 2 – Oxnard Coastal Zone Neighborhood Map](#)

[Exhibit 2 – Residential Beachfront \(R-BF\) Zone Location Map](#)

[Exhibit 3 – City of Oxnard Ordinance No. 2970 - Proposed Amendment Text](#)

I. PROCEDURAL OVERVIEW

A. Standard of Review

The standard of review for the proposed amendment to the Implementation Plan/Coastal Zoning Ordinance (IP/CZO) component of the City of Oxnard's certified Local Coastal Program (LCP), pursuant to Sections 30513 (regarding ordinances) and 30514 (regarding amendments) of the Coastal Act, is whether the proposed IP/CZO amendment is in conformance with, and is adequate to carry out, the provisions of the Land Use Plan (LUP) portion of the certified City of Oxnard LCP. All Chapter 3 policies of the Coastal Act have been incorporated in their entirety in the certified Oxnard LUP as guiding policies.

B. Procedural Requirements

If the Commission approves the proposed amendment pursuant to the staff recommendation with the suggested modifications, the City must act to accept the certified suggested modifications within six months from the date of Commission action in order for the amendment to become effective (California Code of Regulations, Title 14, Sections 13542(b), (f), 13544, and 13544.5). In that case, pursuant to Section 13544 of the California Code of Regulations, the Executive Director shall determine whether the City's action is adequate to satisfy all requirements of the Commission's certification order and report on such adequacy to the Commission. In that scenario, pursuant to Section 13544(c) of Title 14 of the California Code of Regulations, the modified LCP Amendment will become final at a subsequent Commission meeting if the Commission concurs with the Executive Director's determination that the City's action in accepting the suggested modifications is legally adequate. Should the Commission deny the LCP Amendment as submitted, and not approve it with any modifications, no further action is required by either the Commission or the City, and the LCP Amendment will not become effective.

C. Public Participation

Section 30503 of the Coastal Act requires the provision of maximum opportunities for public input in preparation, approval, certification and amendment of any LCP. The City held a series of public hearings regarding the amendment. The hearings were noticed to the public consistent with Section 13515 of Title 14 of the California Code of Regulations. Notice of the Commission's consideration of the subject amendment has been distributed to all known interested parties.

II. STAFF RECOMMENDATION, MOTIONS, AND RESOLUTIONS FOR THE LCP AMENDMENT

A. Denial of the Implementation Plan As Submitted

MOTION I:

I move that the Commission reject City of Oxnard Implementation Plan Amendment No. LCP-4-OXN-20-0008-1 as submitted.

STAFF RECOMMENDATION OF REJECTION:

Staff recommends a **YES** vote. Passage of this motion will result in rejection of Implementation Plan Amendment No. LCP-4-OXN-20-0008-1 and the adoption of the following resolution and findings. The motion passes only by an affirmative vote of a majority of the Commissioners present.

RESOLUTION TO DENY CERTIFICATION OF THE IMPLEMENTATION PLAN AMENDMENT AS SUBMITTED:

The Commission hereby **denies** certification of City of Oxnard Implementation Plan/Coastal Zoning Ordinance Amendment No. LCP-4-OXN-20-0008-1, as submitted, and adopts the findings set forth below on grounds that the Implementation Plan Amendment, as submitted, does not conform with, and is inadequate to carry out, the provisions of the certified Land Use Plan. Certification of the Implementation Plan Amendment would not meet the requirements of the California Environmental Quality Act as there are feasible alternatives and mitigation measures that would substantially lessen the significant adverse impacts on the environment that will result from certification of the Implementation Plan Amendment as submitted.

B. Certification with Suggested Modifications

MOTION II:

I move that the Commission certify City of Oxnard Implementation Plan Amendment No. LCP-4-OXN-20-0008-1 if it is modified as suggested in this staff report.

STAFF RECOMMENDATION TO CERTIFY WITH SUGGESTED MODIFICATIONS:

Staff recommends a **YES** vote. Passage of this motion will result in certification of Implementation Plan Amendment No. LCP-4-OXN-20-0008-1 with suggested modifications and the adoption of the following resolution and findings. The motion passes only by an affirmative vote of a majority of the Commissioners present.

RESOLUTION TO CERTIFY WITH SUGGESTED MODIFICATIONS:

The Commission hereby **certifies** the City of Oxnard Implementation Plan Amendment No. LCP-4-OXN-20-0008-1, if modified as suggested, and adopts the findings set forth below on grounds that the Implementation Plan Amendment with the suggested modifications conforms with, and is adequate to carry out, the provisions of the certified Land Use Plan. Certification of the Implementation Plan Amendment, if modified as suggested, complies with the California Environmental Quality Act, because either 1) feasible mitigation measures and/or alternatives have been incorporated to substantially lessen any significant adverse effects of the Implementation Plan Ordinance Amendment on the environment, or 2) there are no further feasible alternatives and mitigation measures that would substantially lessen any significant adverse impacts on the environment.

III. SUGGESTED MODIFICATIONS

The City's proposed amendment language to be added to the certified Implementation Plan/Coastal Zoning Ordinance is shown in straight type. Language recommended by Commission staff to be added and deleted is shown in underline and ~~strikeout~~.

SUGGESTED MODIFICATION 1

Subsection C (Vacation Rental Permit Cap) of proposed Section 17-53 (Short Term Rental Units) shall be modified as follows:

(C) Vacation Rental Permit Cap.

1. The number of vacation rental permits shall be limited by a 5% cap per General Plan neighborhood as established in the City of Oxnard Neighborhood Map adopted as Figure 3-4 in the 2030 General Plan or its successor document. The number of vacation rental permits shall also be limited to ~~5~~10% in the Residential Beach Front (R-BF) zone. The total number of vacation rental permits issued to residential dwellings ~~in the City and the R-BF zone~~ shall not exceed 5% of the total dwelling units in each neighborhood ~~or zone~~. If no short-term rental permits are available pursuant to the cap on short-term rentals, the Director or designee shall place interested property owners on a waiting list in the order in which they were received. If a permit becomes available, applications shall be accepted and reviewed in the order they are listed on the waiting list, subject to Subsection (K).
2. Notwithstanding any language in this Subsection (C) or in Subsection (F)(3) to the contrary, if the owner(s) of an existing short-term rental property (i) consistently paid transient occupancy taxes to the City pursuant to Section 13-15 et seq. on or before January 1, 2019 (ii) otherwise complies with the requirements of this Section 17-53, and (iii) applies for a vacation rental permit within six (6) months from the effective date of Section 17.53, then such owner(s) shall be eligible for a short-term rental permit even if the vacation rental permit cap has already been reached for the General Plan neighborhood or R-BF zone in which the property is located. If, however, the

vacation rental permit for that property is revoked pursuant to Section 17-53(R), said property will be subject to the applicable cap requirement and the owner(s) may reapply for a permit pursuant to this Section 17-53.

SUGGESTED MODIFICATION 2

Subsection D (Separation Requirement) of proposed Section 17-53 (Short Term Rental Units) shall be modified as follows:

(D) Separation Requirement.

1. No Vacation Rental shall be issued a permit when a Vacation Rental permit has already been issued to another property within 100 feet of the Vacation Rental in the Residential Beach Front (R-BF) zone or within 200 feet of the proposed Vacation Rental in all other areas of the City. The 100 foot and 200 foot~~feet~~ separation is to be measured horizontally from the lines of property ownership as established by the legal description for the property on record with the County of Ventura.
2. Notwithstanding any language in this Subsection D to the contrary, the 100 and 200-foot separation requirement shall not apply to a dwelling unit within a development:
 - a. That is subject to the Vacation Ownership and Time-share Act of 2004 (Business and Professions Code Section 11210 et seq.); and
 - b. That became subject to the Vacation Ownership and Time-share Act of 2004 on or before January 1, 2019; and
 - c. Whose owner(s) (i) on or before January 1, 2019, consistently paid transient occupancy taxes to the City pursuant to Oxnard City Code Section 13-15 et seq. (ii) otherwise complies with the requirements of this Section 17-53, (iii) and applies for a vacation rental permit within six (6) months from the effective date of Section 17.53; provided, however, if the vacation rental permit is revoked pursuant to Section 17-53(R), said property will be subject to the applicable separation requirement and the owner(s) may reapply for a permit pursuant to this Section 17-53.

SUGGESTED MODIFICATION 3

Subsection I.3 (Ineligible Dwellings, Structures, and Spaces) of proposed Section 17-53 (Short Term Rental Units) shall be modified as follows:

(I) Ineligible Dwellings, Structures, and Spaces.

No permit for a homeshare or vacation rental shall be issued for any of the following dwellings:

...

3. A dwelling on property owned by six or more owners, unless each owner shares common ancestors or the dwelling is subject to the Vacation Ownership and Time-share Act of 2004 and became subject to the Vacation Ownership and Time-share Act of 2004 on or before January 1, 2019.

...

IV. FINDINGS FOR DENIAL AS SUBMITTED, AND APPROVAL OF THE AMENDMENT IF MODIFIED AS SUGGESTED

The following findings support the Commission's denial of the proposed Implementation Plan/Coastal Zoning Ordinance (IP/CZO) Amendment as submitted, and approval of the IP/CZO Amendment if modified as suggested. The Commission hereby finds and declares as follows:

A. Amendment Description and Background

The City of Oxnard is requesting an amendment to the IP/CZO portion of its certified Local Coastal Program (LCP) to add regulations for short term rentals (STRs) (Exhibit 4). Currently, the City's certified LCP does not explicitly define, regulate or prohibit STRs. The City has indicated that STRs have historically occurred in the City of Oxnard, particularly in the beachfront and coastal zone portions of the City. The City currently collects a transient occupancy tax (TOT) on those STRs whose owners choose to pay it on a self-reporting basis. Currently, without regulations in place, most STRs operating in Oxnard are doing so 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 Oxnard has substantially increased.

The City estimates that there are approximately 230 STRs currently operating in the City's coastal zone. At the same time, the City has also observed an increase in the number of issues and complaints related to 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 August 2016 and November 2019. In response to these meetings, the proposed amendment was developed to authorize short term rentals as an allowed use in residential zones, and at the same time, put regulations in place to address concerns raised by residents. The subject LCP amendment is the product of this effort.

The proposed amendment would allow STRs in all residential zones of the City's coastal zone. As part of the amendment, the City proposes to define short term rentals

as the rental of a residential unit for a period of less than thirty (30) consecutive calendar days. It also distinguishes between, and defines, two different types of short term rentals: vacation rentals and homeshares. A vacation rental is a type of STR in which the owner of the dwelling is not physically present for the rental period. A homeshare is a type of STR in which the owner of the dwelling *is* physically present for the rental period. Both types of rentals would require property owners to obtain a short term rental permit from the City and to operate subject to the standards and requirements that are proposed in the subject amendment.

The proposed amendment would limit the number of vacation rentals to no more than five percent of eligible residential units in each of the City's four coastal zone neighborhoods, the limits of which are depicted on the City's General Plan Neighborhood Map: Oxnard Dunes, Oxnard Shores, Channel Islands, and Hollywood by the Sea (Exhibits 1 and 2).

The Oxnard Dunes neighborhood consists of approximately 270 existing single-family and duplex-style homes and is located at the northern portion of the City's coastal zone, near the Southern California Edison Mandalay Beach Generating Station and adjacent to the Edison Canal. This neighborhood is not directly adjacent to the beach and does not have direct access to the beach.

The Oxnard Shores neighborhood consists of approximately 2,051 existing residential units that include a mix of single-family residences, mobile homes, apartments, condominiums, and timeshare properties. This neighborhood is adjacent to the beach and a public beach park (Oxnard Beach Park), with direct vertical and lateral beach access. Most properties within the Oxnard Shores neighborhood are zoned Single Family Beach (RB1), and there is a stretch of 93 single family beachfront homes nearest the beach that are zoned Residential Beachfront (R-BF). The neighborhood is also adjacent to the 277-room Embassy Suites resort hotel (higher cost hotel) and near the Channel Islands Harbor.¹

The Channel Islands neighborhood contains a variety of residential, commercial, and visitor-serving developments designed around waterways that were constructed as extensions to the Channel Islands Harbor. The neighborhood consists of approximately 1,832 existing residential units that are mostly single-family residences. This

¹ The Oxnard Shores neighborhood includes 1,400 units that belong to the Mandalay Shores Community Association. In 2016, that homeowners' association banned short-term rentals of units, and some owners sued, claiming that the association could not enact such a ban without first obtaining a coastal development permit. The Court of Appeal held that the association did not have the authority to unilaterally ban STRs; rather, "[t]he decision to ban or regulate STRs must be made by the City and Coastal Commission, not a homeowners association." *Greenfield v. Mandalay Shores Community Assn.* (2018) 21 Cal.App.5th 896, 901-02. As the court noted, the neighborhood includes numerous "beach properties that have historically been used as short-term rentals," and banning such rentals could reduce the public's ability to access the coast.

neighborhood has direct public access to the waterways that support coastal recreational activities and is in close proximity to the beach.

The Hollywood by the Sea neighborhood in Channel Islands Harbor is comprised of visitor-serving commercial and recreational uses, including recreational boating and commercial fishing-related uses, as well as 900 residential units (mix of apartments and condominiums). There is also an existing 90-room moderate cost hotel (Hampton Inn) on the peninsula within the harbor, as well as an old moderate cost hotel (Casa Sirena Hotel) that has been closed since 2009 due to disrepair but received authorization in 2018 to be demolished and replaced with a new, 210-room moderate cost hotel. The streets, parking lots, and other public amenities within this neighborhood provide direct access to the beach and waterways of the harbor.

The table below summarizes the City’s estimated quantity of existing residential units and existing STRs in each of the four coastal zone neighborhoods. The City estimates that there are approximately 5,000 existing residential units in the City’s coastal zone, and approximately 230 of those are STRs currently (which represents 4.6 percent of residential units in the coastal zone). As can be seen in the table below, the percentage of existing STRs in each of the four residential neighborhoods (which includes vacation rentals and homeshares) ranges from 3.5 to 4.8 percent. However, within the Residential Beachfront (R-BF) zone portion of the Oxnard Shores neighborhood (Exhibit 3), there is a higher concentration of existing STRs – 17.2 percent.

Coastal Zone Neighborhood	Existing Residential Units	Existing Short Term Rentals	
		Number	Percentage
Oxnard Dunes	270	12	4.4%
Oxnard Shores	2,051	99	4.8%
R-BF Zone Subset	93	16	17.2%
Channel Islands	1,832	87	4.7%
Hollywood by the Sea	900	32	3.5%

In addition to limiting the number of short term vacation rentals to no more than five percent of eligible residential units in each neighborhood, the proposed amendment would also limit vacation rentals within the portion of the Oxnard Shores neighborhood that is zoned R-BF to five percent in order to break up the existing concentration of STRs within that zone so that STRs are more distributed.

Further, the proposed amendment would also require 200 feet of separation between vacation rentals. Specifically, no permit can be issued to a new vacation rental if it would be less than 200 feet from a previously permitted vacation rental property (measured horizontally from property line to property line). Additional limitations on vacation rentals include a three-night minimum stay and a limit of 100 days per calendar year that the dwelling may be used as a vacation rental.

While the proposed amendment requires approval of a permit for all STRs, the five percent cap, 200 foot separation, and 100 day maximum per year requirements would only be applicable to vacation rentals. Homeshares, where the owner of the dwelling is present for the rental period, would not be so limited. Also, when existing timeshare units are opportunistically being used as STRs instead of timeshares during unsold weeks, they would be regulated the same as an STR under the proposed amendment but would be excluded from the 200 ft. separation requirement and the 100 day per year maximum. When timeshare units are being used as timeshares, they would not be considered an STR and would not require an STR permit.

Certain types of residential units would be ineligible for use as STRs under the proposed amendment, such as mobile homes, affordable deed-restricted units, farmworker housing units, accessory dwelling units (ADUs), apartment complexes (limited to one STR for the complex), and two private residential communities—the Colony at Mandalay Beach and Harbour Island—in which the City found that STR use would be inappropriate for various physical and historic reasons that are specific to those locations.

The proposed regulations also establish ownership requirements and limitations which allow the operation of one STR per owner. The City has also proposed occupancy limits so that no more than ten overnight guests would be allowed in a vacation rental and no more than five overnight guests would be allowed in a homeshare. Noise limitations, including quiet hours between 10:00 p.m. to 7:00 a.m., and requirements for on-site parking are also established. The proposed amendment also includes a comprehensive property management and complaint response program, as well as an inspection, compliance, and enforcement program to ensure that any non-compliance with the proposed standards is addressed in a timely manner.

B. Coastal Access and Recreation

The proposed amendment affects the IP component of the City's LCP. The standard of review for IP amendments is that they must be consistent with, and adequate to carry out, the policies of the certified Land Use Plan (LUP).

All Chapter 3 policies of the Coastal Act are incorporated by reference into the City's certified LUP. A core goal of the Coastal Act is to protect the public's ability to recreate in and enjoy the coastal zone, particularly for coastal visitors not fortunate enough to live by the shoreline. The Coastal Act's access and recreation policies provide significant direction regarding not only protecting existing public recreational access opportunities, but also ensuring that such access opportunities are provided and maximized. Specifically, Coastal Act Section 30210 requires that maximum public access and recreational opportunities be provided, stating:

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.

Similarly, the Coastal Act requires that overnight accommodations, and particularly lower-cost accommodations, be protected and encouraged as a means of providing public recreational access to the coast. Section 30213 states (in part):

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

In short, these Coastal Act policies (which are incorporated in the City's certified LUP) make clear that public recreational access, particularly as it relates to the specific needs of the visiting public, is of critical importance and must be protected and maximized. Overnight accommodations are a necessary part of providing public access and recreational opportunities for the many visitors that live further from the coast, including those from inland areas, such as California's Central Valley, where a coastal trip requires a lengthy car ride. For many low and moderate income visitors, lower cost overnight accommodations are essential to being able to access the California coast at all. These access issues are perhaps more apparent than ever now, and more critical as they relate to overnight accommodations, as coastal visitors are increasingly priced out of the overnight accommodations market, particularly low and middle-income households, people of color, and young people.²

The Commission has found STRs to be an important source of visitor accommodations in the state. STRs provide amenities that distinguish them from other types of overnight lodging and often make them the most affordable option for overnight stays on the coast, particularly for groups and families. For example, unlike traditional hotels, STRs usually include full kitchens and common space in which visitors can spend time together, and many allow pets. While these amenities can be obtained at some hotels, the cost of extra space and rooms, a room with a kitchen, or for pet-friendly lodging is often much higher than the price of an STR. Since many STRs contain multiple bedrooms, it is often possible to spread the cost of additional shared amenities among more visitors, and the opportunity to prepare food on-site saves visitors the significant costs associated with dining out. STRs also provide a visitor experience that is unique and different from a standard hotel/motel, and many are situated in close proximity to desirable visitor destinations along the shoreline. STRs are, in many ways, complementary alternatives that can help coastal visitors enjoy coastal zone opportunities. Additionally, STRs can provide local jurisdictions with increased revenues through the payment of transient occupancy taxes.

² See ["Explore the Coast Overnight: An Assessment of Lower-Cost Coastal Accommodations" by the California Coastal Conservancy \(March 2019\)](#) and [California Coastal Commission Public Workshop Staff Report on Lower-Cost Visitor-Serving Accommodations \(October 2016\)](#).

The Commission also recognizes that STRs can result in a number of adverse impacts, including loss of affordable housing, enforcement issues, altered residential neighborhood character, and parking and transportation impacts. The Commission has provided local governments with guidance and direction to regulate STRs in a manner that balances these public and visitor-serving benefits with their potential impacts on coastal communities. Consistent with this guidance, the Commission has been very supportive of STR-related LCP provisions that prescribe occupancy limits, parking requirements, quiet hours, complaint response processes, and other common-sense standards on STR operations.

Currently, the City of Oxnard's certified LCP does not explicitly define, regulate or prohibit STRs. However, STRs have historically occurred in the City for many decades, particularly in the residential neighborhoods nearest the beach, and the City currently collects a transient occupancy tax (TOT) on some of the existing STRs whose owners choose to pay it on a self-reporting basis.

As mentioned previously, the City estimates that there are approximately 5,000 existing residential units in the City's coastal zone, and approximately 230 of those are currently used as STRs (which represents 4.6 percent of residential units in the coastal zone). The percentage of existing STRs in each of the four coastal zone residential neighborhoods (which includes vacation rentals and homeshares) range from 3.5 to 4.8 percent.

Coastal Zone Neighborhood	Existing Residential Units	Existing Short Term Rentals	
		Number	Percentage
Oxnard Dunes	270	12	4.4%
Oxnard Shores	2,051	99	4.8%
R-BF Zone Subset	93	16	17.2%
Channel Islands	1,832	87	4.7%
Hollywood by the Sea	900	32	3.5%

The City's proposed five percent vacation rental cap for each of the four neighborhoods would theoretically allow a slight increase in STRs per neighborhood. However, the proposed 200 foot separation requirement between vacation rental properties would further limit the number of vacation rental STRs that can be achieved within each neighborhood, in some cases to an amount that would be less than the proposed five percent cap, even under generous, but likely unrealistic, spatial circumstances of properties that have, or want, an STR.

Further, within the Residential Beachfront (R-BF) zone of the Oxnard Shores neighborhood, where there is a higher concentration of existing STRs (17.2 percent) among the 93 beachfront homes, the proposed amendment would limit vacation rentals to no more than five percent, and the 200 foot separation requirement would likely reduce it even further. These proposed limitations would significantly reduce the availability of STRs within the City's only beachfront residential neighborhood—an area where they have historically occurred and that is the most desirable location for visitors.

There are currently approximately 16 STRs in the R-BF zone, but the proposed restrictions would allow less than five permitted vacation rental STRs.

STRs are an important source of visitor accommodations in the City's coastal zone. The amenities they provide often make them the most affordable option for overnight stays on the coast, particularly for groups and families when restaurant meal and parking cost savings are considered. The City has indicated that STR rates in Oxnard average \$350 per night. Hotel room rates in the City's coastal zone are in the high cost (\$200 and above) and moderate cost (\$140-\$200) range. However, STRs usually include full kitchens and common space in which visitors can spend time together, and many allow pets. While these amenities can be obtained at some hotels, the cost of extra space and rooms, a room with a kitchen, or for pet-friendly lodging is often much higher than the price of an STR. Since many STRs contain multiple bedrooms, it is often possible to spread the cost of additional shared amenities among more visitors, and the opportunity to prepare food onsite saves visitors the significant costs associated with taking all meals at restaurants. The unique benefit of vacation rentals as a lower-cost option was specifically recognized in the 1975 Coastal Plan³, which contained Policy 125, entitled: Provide Lower Cost Tourist Facilities in the Nearcoast Area. That policy stated, in relevant part:

To increase recreational access to the coast for the general public, tourist facilities (including campgrounds, hotels, youth hostels, recreational vehicle parks, etc.) for low and moderate income persons shall be provided in the nearcoast areas . . . Lower cost visitor facilities such as campgrounds, rustic shelters, ranch houses converted to inns, *bed and board in private homes*, *summer home rentals where several families can share the cost*, and new tourist accommodations that provide some moderately priced units and short-term rentals of other recreational facilities (e.g. boats) shall be given priority over exclusively expensive facilities . . .

The proposed vacation rental STR cap and 200 ft. separation requirements are overly restrictive with regard to the R-BF zone portion of the Oxnard Shores neighborhood and do not strike a reasonable balance between ensuring availability of short term rentals for coastal visitors and preserving neighborhood character and long-term housing for local residents. Additionally, in other neighborhoods, the separation requirements can serve to restrict the percentage of the vacation rentals allowed below the five percent cap. The restrictions would result in reduced options for the people who most need the economies of scale that STRs can offer to groups and families on the coast, and could cause a reduction in the current number of STRs operating in the City. Thus, the amendment, as proposed, does not adequately protect STRs as a valuable visitor-serving accommodation (that can often be lower-cost) within the City's coastal zone, nor does it adequately protect and maximize public recreational and access opportunities

³ The 1975 Coastal Plan was prepared and adopted by the California Coastal Zone Conservation Commission pursuant to the California Coastal Zone Conservation Act of 1972, and its policy recommendations largely formed the basis for the Chapter 3 policies of the Coastal Act.

(particularly in relation to the role that overnight accommodations play in providing such opportunities).

In order to account for the relative desirability to visitors of some areas compared to others, while also avoiding significant adverse impacts to neighborhood character and housing stock, the Commission finds it necessary to modify the City's proposed vacation rental cap and separation requirements. Specifically, **Suggested Modification 1** increases the vacation rental cap in the Residential Beachfront (R-BF) zone from 5% to 10%, and **Suggested Modification 2** reduces the separation requirement in the R-BF zone from 200 feet to 100 feet. In addition, **Suggested Modifications 1 and 2** add a provision that allows properties where STRs were operated on or before January 1, 2019 to not be subject to the neighborhood and R-BF zone vacation rental cap and separation requirements if the owner: (1) consistently paid transient occupancy taxes to the City before January 1, 2019, (2) otherwise complies with the requirements of the STR ordinance, and (3) applies for an STR permit within six months from the effective date of the STR ordinance and operates in compliance with the STR permit. These changes would help avoid any significant reduction in the availability of STRs within the coastal zone neighborhoods, including the most desirable area nearest the beach, where they have historically occurred. These changes were developed in coordination with City staff in order to address the issues raised by the amendment.

The proposed amendment 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 adjacent communities, such as for Ventura County and the City of Carpinteria, and are reasonable regulations to address potential STR issues.

With the suggested modifications, the amendment would not unduly restrict the rental of residences to visitors in a manner that will diminish the public's ability to access and recreate on the coast, nor detract from the City's goal to preserve neighborhood character. The amendment, as modified, also would not meaningfully decrease the availability of housing stock and long-term rentals, or affect affordable housing. Most STRs are located in some of the most desirable areas of the City, where long-term rental would likely be out of reach for the vast majority of people even if those homes were made available in that way. Such homes do not provide affordable housing. Also, the City's proposed STR limits and regulations prohibit STRs in mobile homes, affordable deed-restricted units, farmworker housing units, accessory dwelling units (ADUs), and two residential condominium communities where the City determined STRs were not appropriate for a variety of reasons (The Colony at Mandalay Beach and Harbour Island). The prohibition on STRs in ADUs is consistent with the Legislature's recent passage of statutory changes that disallow STRs in new ADUs in order to ensure that ADUs are available to meet communities' need for more, and more affordable, housing. See Gov. Code § 65852.2. In addition, the proposed regulations allow only one dwelling unit within an apartment complex to be used as a homeshare or vacation rental STR.

When the City was developing the proposed amendment, an issue came up regarding how to deal with existing timeshare properties that operate in the Oxnard Shores neighborhood. Timeshares are a unique form of property ownership and units are sold in time segments which consist of a period of occupancy of no less than one week or greater than 30 days with an annual right to use the unit. However, the rights to use the unit for the annual period are often traded to exchange companies or granted to individuals other than the owners in exchange for a fee. Which means they operate like an STR from time to time during unsold timeshare weeks. To address this issue, the City's proposed amendment clarifies that existing timeshare units would be regulated the same as an STR (and require an STR permit) when the timeshare units are being used opportunistically as STRs instead of timeshares during unsold weeks; however, they would not be subject to the 200 ft. separation and the 100 day per year maximum STR restrictions. When timeshare units are being used as timeshares, they would not be considered an STR and would not require an STR permit. The Commission finds this approach to be a reasonable regulation. However, a discrepancy was brought to Commission staff's attention during review of the proposed amendment in which an ownership restriction provision within the ordinance could be interpreted to prohibit timeshare properties from seeking an STR permit to use units as STRs during unsold weeks. The City staff has indicated this discrepancy was not intentional and coordinated with Commission staff to clarify this issue, which is reflected in **Suggested Modification 3**.

In conclusion, for the reasons discussed above, the Commission finds that only if modified as suggested will the IP/CZO amendment conform with and be adequate to carry out the applicable policies of the certified Land Use Plan.

C. California Environmental Quality Act

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

Nevertheless, the Commission is required, in approving an LCP submittal, to find that the approval of the proposed LCPA does conform with various CEQA provisions, including the requirement in CEQA section 21080.5(d)(2)(A) that the amended LCP will not be approved or adopted as proposed if there are feasible alternatives or feasible mitigation measures available which would substantially lessen any significant adverse impact which the activity may have on the environment. 14 C.C.R. §§ 13540(f) and 13555(b).

The County's IP/CZO amendment as originally submitted does not conform with, and is not adequate to carry out, the policies of the certified LUP. The Commission has, therefore, suggested modifications to the proposed IP/CZO amendment to include all feasible measures to ensure that such significant environmental impacts of new development are minimized to the maximum extent feasible consistent with the requirements of the Coastal Act. For the reasons discussed in this report, the LCP amendment, as suggested to be modified, is consistent with the applicable policies of the certified Land Use Plan, including the Coastal Act policies incorporated by reference therein. As modified, the project will not have significant impacts on the environment, and no feasible alternatives or mitigation measures beyond those already required are available which would lessen any significant adverse effect which the approval would have on the environment. In addition, the findings in this staff report address and respond to all public comments regarding potential significant adverse environmental effects of the project that were received prior to preparation of the staff report. Therefore, the Commission finds that the proposed LCP amendment, as suggested to be modified, is consistent with CEQA.