

CALIFORNIA COASTAL COMMISSION

SOUTH COAST DISTRICT OFFICE
301 E. OCEAN BLVD, SUITE 300
LONG BEACH, CA 90802-4325
VOICE (562) 590-5071
FAX (562) 590-5084



W13b

December 2, 2021

TO: Commissioners and Interested Persons

FROM: Steve Hudson, Deputy Director, South Coast District
Zach Rehm, District Supervisor
Dani Ziff, Coastal Program Analyst

SUBJECT: **Amendment Request No. LCP-5-LOB-20-0058-3 (Short-Term Rentals) of the City of Long Beach Certified Local Coastal Program**, for Public Hearing and Commission Action at the December 15, 2021 virtual meeting.

SUMMARY OF LCP AMENDMENT REQUEST NO. LCP-5-LOB-20-0058-3

The City of Long Beach submitted a Local Coastal Program (LCP) amendment request on September 4, 2020 to modify the certified Implementation Plan (IP) to add regulations for short-term rentals (STRs). On September 21, 2020, the file was deemed incomplete. On December 30, 2020, the City responded to the Commission's incomplete notice with the submittal of a new ordinance and resolution. LCP Amendment Request No. LCP-5-LOB-20-0058-3 was filed as complete on January 14, 2021. On March 11, 2021 the Commission extended the deadline for action on the LCPA by one year. The date by which the Commission must take action on this amendment is April 14, 2022.

The subject regulations proposed to be added to the City's certified IP, which are currently contained in Chapter 5.77 of the City's uncertified municipal code and in effect outside of the coastal zone, would allow STRs to be operated where residential uses are permitted subject to several limitations. The regulations define short-term rentals as residential dwelling units, or portions thereof, provided to a paying entity/guest by a STR operator for 30 or fewer consecutive nights. There are four categories of STRs: primary residence STRs, non-primary residence STRs, hosted STRs, and un-hosted STRs. A primary residence STR is a person's permanent residence (lived in by the owner at least 275 days of the year) being operated as a STR either in whole or in part; a non-primary STR is the inverse. A hosted STR is one where an owner, occupier, or tenant of the property is onsite throughout a guest's stay; an un-hosted STR is the inverse. A primary or non-primary STR can offer hosted and/or un-hosted stays.

As proposed, the IP amendment contains restrictions on the operation of STRs. These include, but are not limited to: limiting un-hosted stays in a primary residence STR to a maximum of 90 days per year, capping maximum occupancy of a STR at 10 people unless

a STR occasional event permit is issued, capping the number of occasional events per site to four per year, prohibiting operators from registering more than one primary residence STR and one non-primary residence STR, restricting the number of non-primary residence STRs in multi-family residences to one STR for up to 10 units, 10% of the units for 11-50 units, 12% for 51-100 units, and 15% for over 100 units, and capping the number of non-primary STR registrations at 800 City-wide. There is no cap on the number of primary residence STRs allowed within the City nor on hosted stays in primary or non-primary residence STRs.

The City-adopted regulations also allow for two methods by which building owners can prohibit short-term rentals. First, the City maintains a "Prohibited Buildings List" that includes the addresses of all buildings outside of the coastal zone whose owner(s) have notified the City that STRs are not permitted to operate within their building. As proposed, building owners within the coastal zone could also apply to add properties to this list. Second, any census block group (in the Long Beach coastal zone, areas containing approximately 281 to 1,672 households) may request the City initiate a petition process whereby un-hosted STRs could be prohibited in that area if the names, addresses, and signatures of a majority of the property owners in the census block group are provided to the City. Buildings on this list can include deed-restricted affordable units (which, by definition, cannot be STRs) and would include all buildings within any census block group that is successful in petitioning to ban un-hosted STRs in their neighborhood, as allowed pursuant to Section 5.77.080. In most cases, a property owner wishing to remove a building from the prohibited buildings list would only need to submit a request to the City. However, property owners in a census block group that has successfully prohibited un-hosted STRs that would like to offer un-hosted STRs would need to wait three years before petitioning to remove the restriction for the entire area.

These two methods of limiting STRs, as well as the City-wide cap on non-primary residence STRs raise concerns regarding the impact of the proposed regulations on public access to the coast through restrictions on providing new visitor-serving resources as well as a potential loss of visitor-serving resources and, especially, lower cost overnight accommodations, which are protected by the certified Land Use Plan (the standard of review) and the Coastal Act. Commission and City staff have worked together to address these concerns. As a result, staff suggests four modifications to the City's requested LCP amendment that ensures that appropriate STR stock is maintained, thereby avoiding impacts to public access. The suggested modifications would:

- 1) allow for up to 350 non-primary residence STRs in the coastal zone each year even if the City-wide cap is met;
- 2) limit the ability of building owners to prohibit short-term rentals, unless such restrictions were explicitly in place prior to the Coastal Act, by requiring coastal development permits to be issued for applications that would prohibit STRs on a site (approval contingent on meeting required findings that the project conforms with the LCP and does not, individually or cumulatively, adversely impact public access) and clarify the role of the subject regulations if in conflict with restricted covenants, or similar documents, that existed prior to the Coastal Act;

3) avoid cumulative impacts to public access from individual short-term rental restrictions approved in accordance with the required findings for a CDP by monitoring and reporting on STRs throughout the coastal zone and, if adverse impacts are observed, amending the LCP to correct and mitigate for such impacts; and

4) maximize public access for all people by including a commitment to non-discriminatory services and ADA-accessibility information in the registration process.

Currently, Chapter 5.77 is in effect in all areas of the City outside of the coastal zone. Until the Commission certifies short-term regulations as part of the Long Beach LCP, the City-adopted regulations do not apply to existing active STRs in the coastal zone.

SUMMARY OF STAFF RECOMMENDATION

Staff recommends that the Commission certify LCP Amendment Request No. LCP-5-LOB-20-0058-3 with suggested modifications necessary to maximize public access to the coast for all people and make the City's IP amendment consistent with the City's certified LUP. The motions and resolutions to carry out the staff recommendation are on **page seven**. The suggested modifications to the LCP amendment request are included under Section III of this staff report.

Therefore, staff recommends that the Commission, after public hearing:

- 1. Deny LCP Amendment Request No. LCP-5-LOB-20-0058-3, as submitted; and**
- 2. Certify, only if modified, LCP Amendment Request No. LCP-5-LOB-20-0058-3.**

TABLE OF CONTENTS

I. PROCEDURAL HISTORY	5
A. STANDARD OF REVIEW.....	5
B. LOCAL REVIEW AND DEADLINE FOR COMMISSION ACTION.....	5
II. MOTIONS AND RESOLUTIONS	7
III. SUGGESTED MODIFICATIONS	8
IV. FINDINGS.....	12
A. AMENDMENT DESCRIPTION.....	12
B. CONSISTENCY WITH THE CERTIFIED LAND USE PLAN.....	14
C. REJECTION OF LCP AMENDMENT AS SUBMITTED	18
D. APPROVAL OF LCP AMENDMENT IF MODIFIED AS SUGGESTED	20
E. CALIFORNIA ENVIRONMENTAL QUALITY ACT	23

EXHIBITS

Exhibit 1 – Resolution No. RES-20-0070 & Ordinance No. ORD-20-0024

Exhibit 2 – Resolution No. RES-20-0156 & Ordinance No. ORD-20-0045 (FINAL)

Exhibit 3 – Long Beach Short-Term Rental Data (2018)

I. Procedural History

A. Standard of Review

The standard of review for the proposed amendment to the LCP Implementation Plan (IP), is whether the proposed IP amendment is in conformance with, and adequate to carry out, the provisions of the certified LUP.

B. Local Review and Deadline for Commission Action

Section 30503 of the Coastal Act requires public input in Local Coastal Program development. It states:

During the preparation, approval, certification, and amendment of any local coastal program, the public, as well as all affected governmental agencies, including special districts, shall be provided maximum opportunities to participate. Prior to submission of a local coastal program for approval, local governments shall hold a public hearing or hearings on that portion of the program which has not been subjected to public hearings within four years of such submission.

The City of Long Beach Planning Commission and the City Council held public hearings on the proposed amendment, as summarized below:

City Council Resolution No. RES-20-0070

The original proposed changes to the City's LCP are contained in City Council Ordinance No. ORD-20-0024 (**Exhibit 1**). The LCP Amendment Request was submitted for Coastal Commission certification by City Council Resolution No. RES-20-0070 (**Exhibit 1**). ORD-20-0024 was heard for the first time on January 21, 2020. Approximately 54 individuals provided verbal testimony at the hearing and four submitted written comments. The City Council did not approve the draft ordinance for the first reading and, instead, directed staff to research answers to several questions and revise the regulations by lowering the number of non-primary STRs allowed City-wide, changing the ratio of property owners in a census block group required to opt out of STR allowances from two-thirds to a majority, and add two hosting platform responsibilities. The revised ordinance was read on May 19, 2020, when, given concerns about public health due to the COVID-19 pandemic, the City Council directed staff to modify the ordinance to temporarily prohibit un-hosted STRs, add sanitary protocols, and return with additional information on Transit occupancy taxes (TOT), the economic impact of COVID-19 on the City's tourism industry, the number of registered STRs since adoption of the ordinance (outside of the coastal zone), and rental housing vacancies. On June 16, 2020, the revised ordinance was read for the first time and laid over to the next meeting (June 23, 2020) for a final reading. Nine comment letters were received, and one member of the public provided verbal testimony. RES-20-0070 was also adopted on this date. On June 23, 2020, the subject ordinance was adopted by the City Council.

On September 4, 2020, the City of Long Beach submitted a request to the Coastal Commission to amend its certified IP. On September 21, 2020, the proposed LCP amendment was found to be incomplete due to confusion surrounding the incorporation of the new municipal code chapter into the LCP and future related changes to the City's certified

zoning code that were described, but not included in the amendment request materials. In addition, the City had stated in its submittal cover letter that the ordinance would be revised in the near future to add regulations for un-hosted STRs, at which time the new ordinance would be submitted to the Commission.

City Council Resolution No. RES-20-0156

As discussed by City Council action on May 19, 2020, the City chose to modify the STR ordinance and LCPA request by adding regulations for un-hosted STRs. Thus, the proposed changes to the City's IP that are before the Commission today are contained in City Council Ordinance No. ORD-20-0045 (**Exhibit 2**). The revised ordinance was submitted for Coastal Commission certification by City Council Resolution No. RES-20-0156 (**Exhibit 2**). The City Council held a public hearing for the revised ordinance on November 17, 2020; sixteen individuals provided public testimony. As directed by the City Council, the revisions included limiting the number of STRs an individual can operate, reducing (again) the maximum number of un-hosted STR registrations allocated city-wide, limiting the number of occasional event permits that can be issued to an operator each year, improving the definitions section, clarifying enforcement details, and restating that the petition process for restricting un-hosted STRs is conducted on a census block group basis. ORD-20-0045 was read and, subsequently, adopted by the City Council on December 8 and 15, 2020, respectively.

On December 30, 2020, the City of Long Beach submitted the revised ordinance, resolution, and supporting materials to the Commission's South Coast District office. On January 14, 2021, the proposed LCP amendment was found to be in proper order and legally adequate to comply with the submittal requirements of the Coastal Act and the California Code of Regulations. Therefore, LCP Amendment Request No. LCP-5-LOB-20-0058-3 has been deemed complete pursuant to the requirements of Section 30510 of the Coastal Act. On March 11, 2021, the Commission extended for one year the deadline for Commission action on this LCP amendment to allow for continued coordination between City and Commission staffs on issues raised by the final City-adopted ordinance. The deadline for Commission action on the proposed amendment request is April 14, 2022.

Additional Information

PLEASE NOTE THAT THIS WILL BE A VIRTUAL MEETING. As a result of the COVID-19 emergency, California Assembly Bill 361, and the Governor's Executive Orders N-15-21, N-29-20, and N-33-20, this Coastal Commission meeting will occur virtually through video and teleconference. Please see the Coastal Commission's Virtual Hearing Procedures posted on the Coastal Commission's webpage at www.coastal.ca.gov for details on the procedures of this hearing. If you would like to receive a paper copy of the Coastal Commission's Virtual Hearing Procedures, please call 415-904-5202.

The Commission's files for LCP Amendment Request No. LCP-5-LOB-20-0058-3 are available for review at the South Coast District office located at 301 East Ocean Boulevard, Suite 300, Long Beach, CA 90802. The staff report can be viewed on the Commission's website: <http://www.coastal.ca.gov/mtgcurr.html>. For additional information, contact Dani Ziff at dani.ziff@coastal.ca.gov.

II. Motions and Resolutions

A. Denial of IP Amendment as Submitted

Motion I:

I move that the Commission **reject** Implementation Plan Amendment No. LCP-5-LOB-20-0058-3 to the City of Long Beach certified LCP as submitted.

Staff recommends a **YES** vote. Passage of this motion will result in rejection of Implementation Plan Amendment 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 as Submitted:

The Commission hereby denies certification of Amendment No. LCP-5-LOB-20-0058-3 to the Implementation Plan for the City of Long Beach certified LCP as submitted and adopts the findings set forth below on grounds that the Amendment to the Implementation Plan as submitted does not conform with and is not adequate to carry out the provisions of the certified Land Use Plan, as amended. Certification of the Amendment to the Implementation Program 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 Amendment to the Implementation Program as submitted.

B. Approval of IP Amendment with Suggested Modifications

Motion II:

I move that the Commission **certify** Implementation Plan Amendment No. LCP-5-LOB-20-0058-3 to the City of Long Beach certified LCP if modified in conformance with the suggested changes recommended by staff.

Staff recommends a **YES** vote. Passage of this motion will result in certification of the Amendment to the Implementation Plan 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 if Modified:

The Commission hereby certifies Amendment No. LCP-5-LOB-20-0058-3 to the Implementation Plan for the City of Long Beach certified LCP if modified as suggested and adopts the findings set forth below on grounds that the Amendment to the Implementation Plan with the suggested modifications conforms with and is adequate to carry out the provisions of the certified Land Use Plan, as amended. Certification of the Amendment to the Implementation Program 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 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

For the following suggested modifications:

The City's proposed language is shown in plain text.

The Commission's suggested additions are shown in underline text.

The Commission's suggested deletions are shown in ~~strike-out text~~.

The following suggested modifications, prepared in collaboration with City of Long Beach staff, are necessary to carry out the provisions of the certified LUP:

Suggested Modification 1: Allow for up to 350 non-primary residence STRs in the coastal zone each year.

Registration required, Section 5.77.030.B

...4. The total number of non-primary residence STR registrations allocated shall not exceed eight hundred (800) dwelling units, unless otherwise directed by the City Council by ordinance or resolution. In the coastal zone, the maximum number of non-primary dwelling units registered as STRs is three hundred fifty (350). If the eight hundred (800) STR unit cap (Citywide) is met and there are less than three hundred fifty (350) STR units in the coastal zone, the Citywide cap on STRs shall not be applied to prohibit additional STRs in the coastal zone until the three hundred fifty (350) STR units in the coastal zone are exhausted. The total number of non-primary residence STR registrations allocated shall be reviewed by the City Council on an annual basis.

Suggested Modification 2: Limit the ability of building owners to prohibit short-term rentals, unless such restrictions were explicitly in place prior to the Coastal Act, by requiring coastal development permits to be issued for the addition of buildings and census block groups to the Prohibited Buildings List and clarify the role of the subject regulations if in conflict with restricted covenants, or similar documents, that existed prior to the Coastal Act.

Definitions, Section 5.77.020.M

"Prohibited buildings list" means a list identifying the address(es) of all buildings whose owner(s), including any applicable homeowners' association or board of directors, have notified the City, pursuant to City procedures, that short-term rentals are not permitted to operate anywhere in such building, including deed restricted affordable housing

units. Prohibited buildings list shall also include a list of census block groups where un-hosted STRs are prohibited per Section 5.77.080. In the Coastal Zone, the provisions of the prohibited buildings list shall apply only to buildings with restrictive covenants or homeowners' associations covenants, conditions, and restrictions (CC&Rs) that are not discriminatory (as defined in Government Code 12955) with explicit restrictions on short-term rentals or their equivalent recorded prior to the Coastal Act (January 1, 1977). Restrictive covenants or CC&Rs proposed subsequent to the effective date of the Coastal Act (January 1, 1977) that restrict short-term rentals in the Coastal Zone shall require a Local Coastal Development Permit (LCDP) under the certified provisions of Division IX of Section 21.25 (Specific Procedures) of the Municipal Code to authorize the restriction for specific buildings. If such a LCDP is approved, the City shall comply with Section 5.77.050.O of these regulations.

Registration required, Section 5.77.030.B

...9. If the dwelling unit is subject to the rules of a homeowners' or condominium association or non-discriminatory restrictive covenant recorded prior to the Coastal Act (January 1, 1977) that restricts STRs or their equivalent, allowance to engage in short-term rental activity through this Chapter shall not be inferred to grant any permission that invalidates or supersedes any provisions in those documents.

Request to Petition to restrict un-hosted short-term rentals within a geographical census block group, Section 5.77.080.A

The property owners of residential property in any census block group within the City may request the City to initiate a petition process, using a form provided by the Director, to prohibit un-hosted STRs within that census block group.

1. In the Coastal Zone, the petition process shall follow the procedures below and requires a Coastal Development Permit under the certified provisions of Division IX of Section 21.25 (Specific Procedures) of the Municipal Code to authorize the restriction. Refer to item C, below.

Request to Petition to restrict un-hosted short-term rentals within a geographical census block group, Section 5.77.080.C

To the extent a petition seeks to prohibit un-hosted STRs within the Coastal Zone boundaries of the City, and the petition process is successful, it shall have no effect on properties within the Coastal Zone boundaries until the California Coastal Commission or City approves a Coastal Development Permit in conformance with the required findings of the Coastal Act. Any petition to restrict un-hosted short-term rentals shall adhere to the certified provisions of Division IX of Section 21.25 (Specific Procedures) of the Municipal Code for procedures for LCDPs related to short-term rentals. A LCDP approving a petition to prohibit un-hosted STRs in a census block group shall remain in effect subject to the expiration time limit established under the approved LCDP.

Definitions, Short-Term Rental, Section 21.15.2487

21.15.2487 – Short-Term Rental

"Short-term rental" means a residential dwelling unit, or portion thereof, that is offered or provided to a paying guest(s) by a short-term rental operator for thirty (30) or fewer consecutive nights. The term "short-term rental" shall not include hotels, motels, inns, or bed and breakfast inns.

Local Coastal Development Permits, Permit Required, Section 21.25.903.B

Coastal Permits Issued by the City. The following categories of projects require coastal permits in accordance with the procedures set forth in this Division: ...

6. Any application for the restriction of short-term rentals pursuant to the provisions and procedures outlined in Chapter 5.77 (Short-Term Rentals) in the certified LCP.

Local Coastal Development Permits, Procedures – Coastal Permit, Section 21.25.904.C

Findings Required. Prior to approving a local coastal development permit, the responsible hearing body must find: ...

5. For an application to restrict short-term rentals in accordance with the provisions and procedures outlined in Chapter 5.77 (Short-Term Rentals) of the certified LCP, the project shall conform with the certified local coastal program, including with the provisions relating to coastal access and recreation. The required findings must include a cumulative impacts analysis informed, at least in part, by monitoring data collected on approved projects that restrict STRs and on STRs throughout the coastal zone. The responsible hearing body shall also find:

- i. The proposed restriction would not result in the substantial loss of visitor-serving accommodations (i.e. a reduction in available overnight accommodation rooms, including but not limited to short-term rentals, hotels, and/or motels, within ¼ mile of visitor-serving recreational uses, the beach, bay, ocean, or tidelands).
- ii. The proposed restriction would not result in the loss of lower-cost overnight accommodations. Lower-cost overnight accommodations shall be defined as those charging approximately twenty five percent (25%) less than the statewide average daily room rate or less.
- iii. The proposed restriction would not result in the net loss of short-term rentals below four hundred twenty-five (425) short-term rental units (both hosted and un-hosted and/or primary or non-primary) historically occurring in the coastal zone.
- iv. The proposed restriction would be necessary to protect the neighborhood stability, housing access, and would be consistent with the neighborhood character established in the Local Coastal Program (LCP).

Suggested Modification 3: Avoid cumulative impacts to public access from individual short-term rental restrictions approved in accordance with the required findings listed above by monitoring and reporting on STRs throughout the coastal zone and, if adverse impacts are observed, amending the LCP to correct and mitigate for such impacts.

Short-term rental regulations, Section 5.77.050

O. In the coastal zone, upon City or Coastal Commission approval of the first Coastal Development Permit that restricts STRs in the coastal zone, which shall include the required findings in Division IX of Section 21.25 (Specific Procedures) of the Municipal Code for LCDPs related to short-term rentals, the City shall prepare and submit to the Coastal Commission, within one (1) year of the final action on the LCDP, a report that evaluates the required findings for LCDPs that restrict STRs (Section 21.25.904 of the certified Zoning Code) and the cumulative impacts of such restrictions on coastal resources, including but not limited to public access and recreation. After the first report, new reports shall be submitted to the Commission every five (5) years from the date of the first submittal. If the City or the Commission's Executive Director identifies adverse impacts to coastal resources or inconsistencies with the City's certified LCP resulting from restrictions on STRs in the coastal zone, then the City shall submit within one (1) year a Local Coastal Program Amendment (LCPA) request to the California Coastal Commission that addresses any identified adverse impacts to coastal resources by amending the LCP to mitigate for any adverse impacts identified and modify the certified short-term rental regulations to avoid such impacts in the future.

Suggested Modification 4: Maximize public access for all people by including a commitment to non-discriminatory services and ADA-accessibility information in the registration process.

Purpose, Section 5.77.010

The purpose of this Chapter is to establish regulations, standards, and a registration process governing the renting or leasing of privately owned visitor serving residential dwelling units on a short-term basis in order to maintain the long-term rental housing stock in the City; ensure the collection and payment of Transient Occupancy Taxes ("TOT"); safeguard the residents of the City of Long Beach by ensuring that short-term rental activities do not threaten the character of residential neighborhoods; and ensuring that such short-term rental activities do not become a nuisance, or threaten the public health, safety or welfare of neighboring properties.

The City of Long Beach acknowledges that all persons within its jurisdiction are free and equal, and no matter what their sex, race, color, religion, ancestry, national origin, disability, medical condition, genetic information, marital status, sexual orientation, citizenship, primary language, or immigration status are entitled to the full and equal accommodations, advantages, facilities, privileges, or services in all business establishments, including short-term rentals.

Registration required, Section 5.77.030.B

...12. The STR operator shall state whether the STR has Americans with Disabilities Act (ADA)-accessible features.

IV. FINDINGS

A. Amendment Description

The City of Long Beach is proposing to amend its Implementing Ordinances (IP) to add regulations for short-term rentals by incorporating a new chapter of the City's uncertified municipal code, Chapter 5.77, into the LCP. The purpose of these new regulations, as stated in the first section of Chapter 5.77 (Section 5.77.010), is: "to maintain the long-term rental housing stock in the City; ensure the collection and payment of Transient Occupancy Taxes ("TOT"); safeguard the residents of the City of Long Beach by ensuring that short-term rental activities do not threaten the character of residential neighborhoods; and ensur[e] that such short-term rental activities do not become a nuisance, or threaten the public health, safety or welfare of neighboring properties." On October 16, 2019, Commission staff provided the City of Long Beach with a comment letter in response to the Negative Declaration published for its STR regulations. The letter suggested that the City clarify if and in what capacity the STR regulations would be incorporated into the certified LCP¹. In the subject LCP amendment request, the City made clear that the new municipal code chapter (5.77) for the regulation of STRs, which currently applies outside the coastal zone, would also apply in the coastal zone upon certification of the regulations by the Commission as part of the City's IP.

As adopted by the City Council, the new chapter describes the purpose of the regulations, includes relevant definitions, lays out the numbers and types of dwelling units that are eligible for registration as a short-term rental and registration requirements, lists the rules for STRs, outlines how a census block group can request the City initiate a petition to prohibit STRs, and includes details regarding enforcement of the provisions. The administrative processes, fees, and severability clause are also included. Essentially, the new regulations now require dwelling units fitting the definition of a "short-term rental," or STR, be registered with the City. Such units must be legal dwelling units on a property, or portion of a property, that is permitted for residential use that are offered or provided to paying guests by a rental operator for 30 days or less. STRs cannot be other overnight accommodations like hotels and bed & breakfasts, accessory dwelling units (ADUs or JADUs), affordable housing units, special group residences, single room occupancies, vehicles, trailers, storage sheds, garages, boats, treehouses, or temporary structures.

The City of Long Beach coastal zone, which is one of the largest in Los Angeles County, includes approximately 6,500 residential properties, around 3,000 of which are multi-family². Several multi-family residential properties in the Downtown Shoreline area contain between 200 and 600 residential dwelling units each, and several other multi-family

¹ The letter also describes concerns relating to one of the City-adopted policies, which allows any census block group to effectively ban STRs in its area through a petition process. This regulation is further described and addressed later in this report.

² This data, retrieved from [LandVision™](#) 9/19/2021, may not be entirely accurate or up-to-date.

properties seaward of Ocean Boulevard contain between 50 and 100 units each. Approximately 3,500 of the residential properties in the coastal zone are single-family residential properties. Hypothetically, most of the 6,500 properties in the coastal zone could offer visitor-serving overnight accommodations by registering with the City to offer a STR. In practice, based on data from STR listing platforms for 2018, there were 522 active STR listings (any STR listing with a booking calendar change or review) and 426 active rental units (rental units with at least one active listing) in the coastal zone (**Exhibit 3**).

Under the proposed regulations, there are four categories of STRs: primary residence STRs, non-primary residence STRs, hosted STRs, and un-hosted STRs. A primary residence STR is a person's permanent residence (lived in by the owner at least 275 days of the year) being operated as a STR either in whole or in part; a non-primary STR is the inverse. A hosted STR is one where an owner, occupier, or tenant of the property is onsite throughout a guest's stay; an un-hosted STR is the inverse. A primary or non-primary STR can offer hosted and/or un-hosted stays.

Using these categories, the City has imposed different limits on the number of registrations that can be offered, the length of time the STR can be rented, and how many guests are allowed. These limitations, as adopted by the City, include: limiting un-hosted stays in a primary residence STR to a maximum of 90 days per year, capping maximum occupancy of a STR at 10 people unless a STR occasional event permit is issued, capping the number of occasional events per site to four per year, prohibiting operators from registering more than one primary residence STR and one non-primary residence STR, restricting the number of non-primary residence STRs in multi-family residences to one STR for up to 10 units, 10% of the units for 11-50 units, 12% for 51-100 units, and 15% for over 100 units, and capping the number of non-primary STR registrations at 800 City-wide. There is no cap on the number of primary residence STRs allowed within the City nor on hosted stays in primary or non-primary STRs.

While STR registrations can, generally, be allocated to most legal dwelling units located where residential uses are permitted subject to the aforementioned limitations, the City-adopted regulations also allow for two methods by which building owners can prohibit short-term rentals. First, the City maintains a "Prohibited Buildings List" that includes the addresses of all buildings outside of the coastal zone whose owner(s) have notified the City that STRs are not permitted to operate within their building. As proposed, building owners within the coastal zone could also apply to add properties to this list. Buildings on this list can include deed-restricted affordable units, which, by definition, cannot be STRs, and would include all buildings within any census block group³ that is successful in petitioning to ban un-hosted STRs in their neighborhood, as allowed pursuant to Section 5.77.080. Through this method, any census block group may request the City initiate a petition process whereby un-hosted STRs could be prohibited in that area with the names, addresses, and signatures of a majority of the property owners in the census block group. In general, once on the list, a property owner wishing to remove a building from the prohibited buildings list would only need to submit a request to the City. However, property

³ The smallest level of geography you can get basic demographic data for (United States Census Bureau, [What are census blocks?](#)). In Long Beach's coastal zone, while the census block groups range in shape and size, it appears that many of the residential groups include about twenty blocks.

owners in a census block group that has successfully prohibited un-hosted STRs that would like to offer un-hosted STRs would need to wait at least three years before petitioning to remove the restriction for the entire area, which would require another majority vote through a similar petition process.

As proposed, STR registrations expire after one year and can be renewed annually if the operator can demonstrate compliance with the requirements of Chapter 5.77. These requirements include: prohibiting outdoor pool use between 10:00pm and 7:00am, complying with other City regulations, including but not limited to safety, noise, solid waste, recycling, and litter prevention policies, avoiding disturbance of the neighborhood by unusual loud noises, and designing and operating a STR to be compatible with the residential character of the neighborhood in which it is located. If the provisions of the City-adopted ordinance are not followed, the City could issue administrative citations, impose fines, and revoke the registration. Any advertisement of the rental unit must include the registration number; advertising signs on the premises are not allowed.

Additionally, there are regulations that apply to hosting platforms (persons or entities that receive a fee for conducting a booking transaction) included in the proposed LCP amendment. The responsibilities of such platforms include ensuring that a booking is not made that is inconsistent with the limitations on length of stay and number of guests, listing the STR registration number, coordinating with City staff if questions arise and when notified by the City that properties are added to the prohibited buildings list or are not in compliance with the requirements, and informing operators of all applicable taxes. Collection and remittance of local TOT is the responsibility of the hosting platform and/or STR operator.

In summary, the subject regulations that are proposed to be added to the City's certified IP would allow hosted and un-hosted STRs where residential uses are permitted subject to the limitations and rules described above. Currently, these regulations apply in all areas of the City outside of the coastal zone. Until the Commission certifies short-term regulations as part of the Long Beach LCP, the City-adopted regulations do not apply to existing active STRs in the coastal zone.

B. Consistency with the Certified Land Use Plan

The standard of review for the proposed amendment to the IP, pursuant to Section 30513 of the Coastal Act, is whether the proposed IP amendment conforms with, and is adequate to carry out, the provisions of the certified Land Use Plan (LUP). The certified LUP contains policies that maximize shoreline access and opportunities for coastal recreation for all people. In order for most Californians—those who do not live in close proximity to the beach—to access the coast, overnight accommodations are a necessity.

Goal 4.10 of the Open Space and Recreation Element states:

Provide access to recreation resources for all individuals in the community.

Area A Policy Plan Summary, Shoreline Access, of the Local Coastal Plan document states:

A principal objective of this plan is to improve public access to the beach...

PD-6, General Development and Use Standard (j), Affordable Overnight Visitor Accommodations, of the Local Coastal Plan document states:

It shall be the goal of the City to develop a program/policy for the Downtown Shoreline area that protects and encourages lower cost overnight visitor accommodations...

Chapter 5, Section I, Policy 1, of the Southeast Area Specific Plan states:

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.

Chapter 6, Lower Cost Overnight Accommodations, Policy 1, of the Southeast Area Specific Plan states:

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

Chapter 6, Lower Cost Overnight Accommodations, Policy 3, of the Southeast Area Specific Plan states:

The City shall encourage a range of accommodation types at various price points to serve all visitors.

There are currently seven locations within the Long Beach coastal zone offering overnight accommodations for visitors: (from west to east) two higher cost hotels within the Port District, one RV resort (lower cost) in the Downtown Shoreline Area, two higher cost hotels in the Downtown Shoreline Area, one lower cost inn near the Belmont Pier, and one moderate cost hotel (historically, lower cost) near the Los Cerritos Wetlands in the Southeast Area of Long Beach.⁴ While there are also several hotels and motels just outside of the coastal zone, mainly concentrated in Downtown Long Beach, the remaining approximately four square miles of coastline is only serviced by two businesses offering overnight accommodations and the City's existing short-term rental stock. Thus, at this time, it is imperative to preserve the amount of STRs that have generally operated within the Long Beach coastal zone, which has been approximated using data collected on STR listings in the coastal zone from 2018 (**Exhibit 3**).

The general goal of the City's short-term rental regulations is to allow for STRs without impacting long-term rental housing stock in the City and creating a nuisance or threatening the public health, safety, or welfare of neighboring properties. The requested limits on the number of guests—two per bedroom plus two, up to 10 individuals—and length of stays—maximum of 30 consecutive days—is consistent with recent Commission actions on STR

⁴ The Commission defines lower-cost accommodations as those charging approximately 25% less than the statewide average daily room rate and higher-cost are those charging approximately 25% more than the statewide average. Values in between are moderate-cost. The 2021 annual statewide average daily room rate is \$141.78; thus, lower-cost accommodations would be less than approximately \$106.34 and higher-cost would be over \$177.23. The City will be using a peak season average daily rate (i.e. Current Month-ADR for July and/or August of each year) to determine what constitutes lower-cost.

LCP amendments, including, but not limited to Ventura County, Santa Cruz County, City of Santa Cruz, and City of Laguna Beach. Further, the City regulations allow for the number of guests to exceed the 10-individual maximum for up to four special events a year, subject to issuance of a STR occasional event permit. In 2018, approximately one percent of the STR stays were in units with five or more bedrooms, which (assuming two individuals per bedroom) would sleep over 10. Thus, the 10-individual limit with allowances for more subject to an occasional event permit that restricts the number of people allowed to stay (not the number of STR units allowed), is not expected to significantly affect public access to the coast or the availability of STRs in the coastal zone.

The subject request also includes a provision that restricts un-hosted stays in a primary residence to a maximum of 90 days per year. This number reflects the definition of a primary residence that requires residents to live onsite 275 days out of the year (i.e. $365 - 275 = 90$). It also corresponds with the length of a summer/winter season when homeowners are more likely to be away from the property and, therefore, offer their home for un-hosted stays. Hosted stays in primary residences are not subject to this cap, nor are stays in non-primary residences. Even with this limit for un-hosted stays in primary residence STRs, up to 45 two-night weekend stays or 30 three-night weekend stays would be feasible. In addition, this regulation is consistent with or more permissive than other certified STR-related LCP amendments, including but not limited to, the City of Trinidad (maximum 59 days per year resident STRs) and the City of Oxnard (maximum 100 days per year for vacation rentals). This specific restriction for un-hosted primary residence STRs is not expected to impact public access to the coast because data indicated that more than half of entire home rentals, which could include primary and non-primary residences, are rented less than 90 days per year.

Other limitations include restrictions on the number of non-primary STRs allowed on multi-family residential sites. The City of Laguna Beach's certified LCP includes findings that STRs can be associated with depletion of the City's supply of multi-family residential units. The City of Long Beach policy geared at protecting long-term (lower cost) rental housing allows for one non-primary STR for up to 10 units, 10% for 11-50 units, 12% for 51-100 units, and 15% for over 100 units. There is no restriction for primary residence STRs. As certified by the Commission, the City of Torrance has a similar policy that limits STRs in multi-family buildings to one unit per every thirty residential units. The City of Eureka's LCP includes a policy that allows up to 75% of the residential units on a site to be STRs. The City's proposed LCP policy strikes a balance between providing visitor-serving overnight accommodations and maintaining long-term housing, which is in short supply state-wide. In addition, allowing some STRs in multi-family structures does not disproportionately restrict the rights of residents in multi-family housing and, as with any STR, can provide additional income to residents.

Regarding operation of STRs, the City-adopted ordinance includes rules regarding compliance with City codes and requirements for information to be given to guests to minimize the impacts of STR operations on the residential character of neighborhoods, environmental resources, including water quality, and parking availability. Except for most of the Downtown Shoreline area of Long Beach and pockets of visitor-serving and commercial uses throughout the coastal zone, the majority of the City's coastal zone, as

described in the certified LCP document, is residential in character with a fairly even mix of single- and multi-family houses. The City's LUP has policies that protect the character of these communities, including but not limited to the following:

PD-6 Locating and Planning New Development, The Pike Area, of the Local Coastal Plan document states:

New development in the area shall be primarily residential in character.

Area B Recreation and Visitor Serving Facilities, Non-Residential, of the Local Coastal Plan document states:

Duplex density and housing character shall prevail in this sub-area.

...

New and rehabilitated commercial developments shall promote community stability and a desirability and shall be in harmony with the character of the surrounding neighborhood.

Area D Locating and Planning New Development, Residential, of the Local Coastal Plan document states:

The fundamental goal of this policy plan is to maintain and enhance the very special character of Belmont Shore. Aside from the existing commercial strip along Second Street and the node at Ocean and Granada, the Shore shall remain entirely residential in character. Preservation of viable neighborhoods, a principal goal of the City's General Plan, shall prevail as a policy of this LCP.

Area E Locating and Planning New Development, The Peninsula, of the Local Coastal Plan document states:

This plan calls for the preservation of the residential character of the peninsula.

Thus, the proposed IP regulations that require compliance with noise, residential use, and other municipal code standards (Sections Section 5.77.050.H, K, and M), impose pool use restrictions (Section 5.77.050.G), and prohibit STRs from conflicting with the residential character of neighborhoods (Section 5.77.050.N) conform with and are adequate to carry out the LUP policies listed above. Similarly, the requirements included in the LCP amendment request for STR compliance with solid waste, recycling, and litter prevention regulations (Section 5.77.050.H) conform with the certified LUP policies protecting water quality and biological resources. These include, but are not limited to:

Introduction, Coastal Resources, of the Local Coastal Plan document states:

A balance between human use and ecological concerns is the principal theme of this Plan.

Goal (g), Preservation of Natural Resources, of the open space policies states:

To preserve areas which serve as natural habitats for fish and wildlife species and which can be used for ecologic, scientific, and educational purposes.

Program 2.3 of the Open Space and Recreation Element states:

Preserve and protect water resources available to the City of Long Beach.

Chapter 5, Section 5.3, Coastal Act Policies, Section 30231, of the Southeast Area Specific Plan states:

The biological productivity and the quality of coastal waters, streams, wetlands, estuaries, and lakes appropriate to maintain optimum populations of marine organisms and for the protection of human health shall be maintained and, where feasible, restored through, among other means, minimizing adverse effects of waste water discharges and entrainment, controlling runoff, preventing depletion of ground water supplies and substantial interference with surface waterflow, encouraging waste water reclamation, maintaining natural vegetation buffer areas that protect riparian habitats, and minimizing alteration of natural streams.

The procedural sections of Chapter 5.77, including regulations relating to hosting platforms, collection and remittance of local TOT, and code enforcement, are not expected to have impacts on public access or be inconsistent with the LUP policies of the certified LCP. Similarly, the process of registering and renewing registrations for STRs does not seem to be onerous to a point where it would disincentivize homeowners from applying to operate STRs in numbers that would significantly affect the stock of STRs in the coastal zone. Therefore, these portions of the proposed LCP amendment and the other changes described in this subsection of the staff report (Section IV.B) conform with, and are adequate to carry out, the provisions of the certified LUP.

However, some of the proposed changes submitted with the subject LCP amendment request are not consistent with the LUP. As described in more detail in the following section (Section C), the City's proposed regulations could, in theory, allow for the prohibition of STRs in the coastal zone and, thus, be interpreted in a way that is inconsistent with the LUP policies requiring maximization of public access for all people and preservation of lower cost overnight accommodations. Therefore, modifications are suggested to ensure LCP-5-LOB-20-0058-3 conforms with the certified LUP (Section D).

C. Rejection of LCP Amendment as Submitted

For the reasons enumerated below, LCP-5-LOB-20-0058-3 is inadequate to carry out and does not conform with the provisions of the certified LUP, as submitted.

First, the City's STR regulations allow for the establishment of a "prohibited buildings list," which, as defined in Section 5.77.020.M, would allow any property owner to notify the City that STRs are not permitted to operate in their building. Hosting platforms would be required upon notification by the City, under Section 5.77.070.F, to remove any STR listings that are on the prohibited buildings list. Thus, hypothetically, all properties in the coastal zone could appear on the prohibited buildings list, and it is not clear how long buildings remain on the list or what the process would be to remove a building from the list. In addition, if certified as proposed, there would be no mechanism for the City nor the Commission to review or deny additions to the prohibited buildings list if there was evidence that adverse impacts to coastal access are occurring. As of March 15, 2021,

there were 1,591 dwelling units on the coastal zone-specific prohibited buildings list.⁵ There are approximately 22,352 residential units in the coastal zone. Many of the buildings on the coastal zone list, which is not certified as part of the LCP, are located within large multi-family residential buildings and tract housing developments.

Similarly, the subject ordinance includes Section 5.77.080, Request to Petition to restrict un-hosted short-term rentals within a geographical census block group. A census block group is the smallest level of geography you can get basic demographic data for, which varies in shape and size. In the Long Beach coastal zone, there are currently approximately 36 census block groups with 281 to 1,672 households each, 13 of which straddle the coastal zone boundary. While this policy only applies to petitions for bans on un-hosted STRs within a census block group, as adopted by the City and proposed to be added to the LCP, a simple majority of the residents of that group could ban STRs for the whole area. For instance, a successful ban in only one of the larger census block groups could eliminate up to eight percent of the potential stock of un-hosted STRs. Additionally, per Section 5.77.020.M, properties within census block groups that are successful in petitioning bans on un-hosted STRs will be added to the prohibited buildings list, and such successful bans will be in effect for a minimum of three years and, unless the restriction is petitioned for removal or prohibited by law, will be in effect indefinitely. This means that such a ban would be permanent even as ownership changes hands unless an action is taken to remove it.

There are approximately 6,500 residential properties in Long Beach's coastal zone. While there is a housing crisis statewide and the City must balance housing needs with the provision of visitor-serving overnight accommodations, it is also important to note that the City has a limited number of overnight accommodations in the coastal zone. There are only seven commercial institutions on land within the coastal zone in Long Beach that offer overnight accommodations. Of these, five, including but not limited to two in the port district and one RV resort are clustered near downtown Long Beach; the other two are lower-cost and are located near the Belmont Pier and the Los Cerritos Wetlands, respectively. Other hotels, including the SeaPort Marina Hotel (150 lower cost rooms) and Beach Plaza Hotel⁶ (40 lower cost rooms), have been demolished within the last couple of decades. These lost overnight accommodations have not been replaced.

The certified LUP includes policies that seek to maximize public access for all people and protect overnight accommodations, including lower-cost accommodations. These include goals and policies of the certified Open Space and Recreation Element, LCP document, and Southeast Area Specific Plan. The policies, listed above following the first paragraph of subsection B, specifically require the City to provide access to the coast for all individuals in the Long Beach community and protect, encourage, and, where feasible, provide lower cost recreational and visitor-serving facilities, including overnight

⁵ According to City staff, the owners of the properties on this list were allowed to apply to be on the list, but were told that there was no guarantee that the list would be in effect in the coastal zone or that they would be qualified to be on the list once the Coastal Commission takes action.

⁶ In 2007 and 2014, the City and Commission, respectively, approved projects (LCDP No. 0604-08 and CDP No. A-5-LOB-13-0246) that involved the replacement of these units onsite, but the project site has yet to be developed.

accommodations. Data on STRs from 2018 indicates that there were approximately 426 active STR units that year (approximately one-third qualified as lower-cost⁷), which suggests that short-term rentals have provided this protected visitor-serving use. Thus, the inclusion of processes by which all residential property owners within the coastal zone could potentially ban STRs, as proposed by the subject IP amendment request, could conflict with the LUP policies and potentially reduce public access to the coast by limiting the availability of lower cost and other visitor-serving accommodations.

The third issue with the City's proposed IP amendment is that it sets a cap for non-primary registrations—or registrations for dwelling units where the property owner does not spend most of its time (e.g. a vacation home)—for the City as a whole. Meaning, per Section 5.77.030.B.4, no more than 800 non-primary STR units can be allocated registrations City-wide. In 2018 the number of active rental units for an “entire home,” which is considered by the City to be approximately⁸ equivalent to the number of active un-hosted and non-primary STRs, in the coastal zone was approximately 350, or 82% of the active rental units. Outside the coastal zone, there were approximately 530 active “entire home” STRs (**Exhibit 3**). Thus, the active number of un-hosted and non-primary STR units in 2018 is approximately 100 more than the proposed 800-unit cap City-wide. Even considering that these numbers may be a slight overestimate for non-primary STRs (see Footnote 2), approximately one-third of all the active STR units in the entire City are located within the coastal zone.⁹ Thus, with only a limited number of registrations available City-wide on a first-come, first-served basis and with no assurances that the existing STRs in the coastal zone are protected, hypothetically, the existing approximately 530 non-primary STRs outside the coastal zone could register first leaving only 270 registrations available for the approximately 350 non-primary STRs in the coastal zone.

Therefore, in the same way that potential bans on STRs through the proposed prohibited buildings list and census block group petitions for STR restrictions could adversely impact the stock of visitor-serving and lower cost overnight accommodations, the proposed cap on non-primary STRs City-wide does not protect public access, as required by the policies of the certified LUP. Thus, as proposed by the City, Amendment Request No. LCP-5-LOB-20-0058-3 is not adequate to carry out the policies of the City's certified LUP and must be rejected.

D. Approval of LCP Amendment if Modified as Suggested

As submitted, the City's proposed LCP amendment No. LCP-5-LOB-20-0058-3 does not conform with and is not adequate to carry out the policies of the certified LUP. The

⁷ The 2018 STR data for the coastal zone includes room rates. The statewide average daily room rate for July and August 2018 was approximately \$150. Thus, lower-cost units would be those under approximately \$115. 30% of 2018 STR listings cost less than \$100 per night and around 45% cost between \$100 and \$200.

⁸ In theory, non-primary residences would most likely have un-hosted STRs since the owner does not usually live onsite. Although there could be cases where the owner of a non-primary residence would stay at the property during renters' stays. Un-hosted STRs could also be sited in primary residences when the main residents are out of town. Therefore, the following numbers are probably a slight overestimate of the number of non-primary STRs.

⁹ Of 1,328 active rental units in Long Beach in 2018, 426, or approximately one-third, were located in the coastal zone.

following four modifications are necessary to protect public access to the coast and make the City's LCP amendment consistent with the certified City's LUP.

Suggested Modification 1 allows for up to 350 non-primary residence STRs in the coastal zone each year regardless of whether the 800-unit City-wide cap has been met. Given that the proposed 800-unit non-primary residence STR cap is City-wide, in theory, all or most of the 800 could be registered to properties outside of the coastal zone. Registrations are processed on a first come, first served basis. Using the 2018 data for "active entire home rental units" that were rented out for over 90 nights of the year as a proxy for non-primary residence STRs, there were one-third as many in the coastal zone as outside of the coastal zone. Thus, considering there appear to be far more non-primary STRs outside of the coastal zone, the aforementioned scenario could be possible and could significantly limit, for example, the number of vacation homes that could be rented out in the coastal zone.

As described above, the certified LUP includes policies that protect overnight accommodations like short-term rentals in the coastal zone, which provide for facilitated coastal access and recreational opportunities at a range of price points. Therefore, Commission staff suggest a total of 350 registrations for non-primary residence STRs be allowed for non-primary STRs in the coastal zone even if that exceeds the 800-unit registration cap. The recommended allowance of 350 registrations approximates the number of active non-primary residence STRs that the coastal zone has historically supported. The number comes from the percentage of active rental units in the coastal zone that were identified as "entire home" rentals in 2018 (82% of 426). It is also over one-third of the total cap, which protects the proportion of coastal zone non-primary STRs, as described above.

Suggested Modification 1 would change the proposed IP Section 5.77.030.B to allow for 350 registrations for the coastal zone thereby maintaining the pre-pandemic stock of non-primary residence STRs. In addition, if the 800-unit City-wide cap is met before the 350-unit coastal zone cap is met, then the 800-unit cap can be exceeded until 350 non-primary residence STRs in the coastal zone are registered. As suggested to be modified, the proposed amendment to the certified IP would conform with the policies of the certified LUP that protect overnight accommodations in the coastal zone.

Suggested Modification 2 limits the ability of building owners to prohibit short-term rentals, unless such restrictions were explicitly in place prior to the Coastal Act and are not in violation of Government Code section 12955, by requiring coastal development permits for the addition of buildings and census block groups to the Prohibited Buildings List and clarifies the role of the subject regulations if in conflict with restricted covenants, or similar documents, that existed prior to the Coastal Act. As described previously, the certified LUP includes policies that provide public access to the coast by protecting, encouraging, and providing, where feasible, visitor-serving overnight accommodations. STRs provide such accommodations and, as described in subsection C in this staff report, alternative overnight accommodations (i.e. hotels, motels, etc.) are not abundant in the Long Beach coastal zone. The proposed IP amendment includes two processes by which building owners could completely prohibit STRs. First, as proposed, any building owner could apply to prohibit STRs within their building. While this action would generally be within a private

property owner's rights, it is a change in the allowable use of the site that could adversely affect the availability of overnight accommodations, which enhance access to the coast. In addition, some buildings in Long Beach have several hundred units; thus, such prohibitions within a few of those buildings could effectively restrict a large portion of the residential properties in the coastal zone.

Second, a census block group—a small geographic area, which in Long Beach contains between 281 and 1,672 households or, for the purpose of this analysis, residential units—could, with a majority vote, petition to prohibit un-hosted STRs throughout their census block group indefinitely or until a new law or petition invalidates it. Given that there are 36 census block groups that are either located in whole or in part in the coastal zone, the cumulative impacts of multiple census block groups successfully petitioning to prohibit un-hosted STRs could greatly reduce the stock of short-term rentals for a long period of time. This would not be consistent with the LUP policies that protect public access and overnight accommodations. In addition, as proposed, the City's IP text includes a placeholder provision stating that the municipal code sections will not apply in the coastal zone until they are certified by the Commission. If the proposed LCP amendment is certified, this provision will not make sense.

Thus, Suggested Modification 2 eliminates the placeholder language, clarifies that buildings with evidence that STRs (or their equivalent by definition) were prohibited prior to January 1, 1977 can be included in the Prohibited Buildings List, and provides a process whereby building owners and census block groups can prohibit short-term rentals only if they are issued a CDP. In order for the City to approve a CDP for such a prohibition, Suggested Modification 2 includes changes to the certified zoning code (also part of the IP) that list STR prohibitions as a category of development that requires a CDP and lays out required findings for approval. These findings ensure compliance with the certified LUP by requiring the City to find that the proposed restriction is consistent with the LUP, does not result in the substantial loss of visitor-serving accommodations, loss of lower-cost overnight accommodations,¹⁰ or net loss of short-term rentals below the number of short-term rental units historically occurring in the in the coastal zone (approximately 425). As suggested to be modified, the City would need to take into account the cumulative impacts of CDPs approved for such prohibitions, which will be monitored by the City along with general STR use in the coastal zone. In addition, to conform with the community character policies of the LUP (listed in subsection B above), the City would have to find that the application to restrict STRs would be necessary to protect the neighborhood stability, housing access, and would be consistent with the neighborhood character established in the Local Coastal Program (LCP).

Therefore, as suggested to be modified, the proposed amendment to the certified IP would conform with the policies of the certified LUP.

¹⁰ The City will be using a peak season average daily rate (i.e. Current Month-ADR for July and/or August of each year) to determine what constitutes lower-cost, which, as suggested to be modified, is any unit that costs 75% or less of said average daily room rate. See Footnote 4.

Suggested Modification 3 further avoids cumulative impacts to public access from individual short-term rental restrictions approved in accordance with the required findings listed above by requiring monitoring and reporting on STRs throughout the coastal zone and, if adverse impacts are observed, amending the LCP to correct and mitigate for such impacts. As proposed and if only modified per Suggested Modification 2, the City would be allowing prohibitions on a case-by-case basis and even when analyzing the specific impact of one STR prohibition application cumulatively on coastal resources and public access, larger trends overtime may not be identified or addressed. Thus, Commission staff recommend Suggested Modification 3, which requires the City, after approval of the first local CDP to restrict STRs in the coastal zone, to monitor STR activity and provide reports on the cumulative impacts of such restrictions on coastal resources. The first report would be required to be submitted to the Executive Director within one year of the final action on the first CDP authorizing an STR prohibition. After the first report, reports would be required to be submitted every five years.

The purpose of the report would be to identify any cumulative adverse impacts to coastal resources and public access to the coast. Suggested Modification 3 provides a means to adapt the IP to ensure conformity with the LUP by creating a process whereby the City or Executive Director could determine whether a cumulative adverse impact exists based on the City's monitoring reports, and, if an impact or inconsistencies with the LCP are found to exist, then within one year of the determination the City would be required to submit an LCP amendment that addresses any identified issues by amending the LCP to mitigate for any adverse impacts and avoid such impacts in the future. Therefore, if any unforeseen impacts from STR prohibitions are realized, they would be required to be addressed through a subsequent LCP amendment.

Thus, as suggested to be modified, the proposed amendment to the certified IP would conform with the policies of the certified LUP.

Suggested Modification 4 maximizes public access for all people by including a commitment to non-discriminatory services and ADA-accessibility information in the registration process. As proposed, the City does not include language in the IP amendment that would maximize public access for all individuals in the community as required by Goal 4.10 of the Open Space and Recreation Element and Policies and Policies 1 (of Chapter 5) and 3 (of Chapter 6) of the Southeast Area Specific Plan. To ensure these policies are adequately carried out, City and Commission staff have worked together to include the language in Suggested Modification 4 that encourages equal treatment of all people participating in the STR process and provides information to the City and STR platforms about the availability of STR units that offer Americans with Disabilities Act accessible features. Thus, as suggested to be modified, the proposed IP amendment would conform with the public access policies of the certified LUP.

As modified, LCPA LCP-5-LOB-20-0058-3 conforms with and is adequate to carry out the policies of the certified LUP.

E. California Environmental Quality Act

Section 21080.9 of the California Public Resources Code – within the California Environmental Quality Act (CEQA) - exempts local governments from the requirement of

LCPA No. LCP-5-LOB-20-0058-3
Short-term Rentals (City of Long Beach)

preparing environmental review documentation in connection with its activities and approvals necessary for the preparation and adoption of an LCP. The Commission's LCP review and approval program has been found by the Resources Agency to be functionally equivalent to the EIR process. (14 CCR § 15251(f).) Thus, under Section 21080.5 of CEQA, the Commission's review and analysis of the LCP amendment in this staff report satisfies CEQA environmental review requirements. Nevertheless, the Commission is required, in approving an LCP submittal, to find that the LCP does conform with 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. Sections 13542(a), 13540(f), and 13555(b).) The City of Long Beach LCP Amendment No. LCP-5-LOB-20-0058-3 consists of an amendment to the Implementation Plan (IP) of City's certified LCP.

As outlined in this staff report, the proposed LCP amendment, if modified as suggested, will be consistent with the policies of the LUP. Thus, the Commission finds that the LCP Amendment No. LCP-5-LOB-20-0058-3, if modified as suggested, is in conformity with and adequate to carry out the land use policies of the certified LCP and will not result in significant adverse environmental impacts under the meaning of CEQA and will be consistent with Section 21080.5(d)(2)(A) of the Public Resources Code. Furthermore, as modified, there are no other feasible alternatives or mitigation measures available which would substantially lessen any significant adverse impact which the LCP amendment may have on the environment.