

## **CALIFORNIA COASTAL COMMISSION**

NORTH CENTRAL COAST DISTRICT  
455 MARKET STREET, SUITE 300  
SAN FRANCISCO, CA 94105  
PHONE: (415) 904-5260  
FAX: (415) 904-5400  
WEB: [WWW.COASTAL.CA.GOV](http://WWW.COASTAL.CA.GOV)



# **F11a**

**LCP-2-HMB-21-0078-2 (Short Term Rentals and Home Occupations)**  
**May 13, 2022**

**CORRESPONDENCE 2**



# CITY OF HALF MOON BAY

501 Main Street  
Half Moon Bay, CA 94019

Peter Benham  
North Central Coastal Planner  
California Coastal Commission  
Via email

May 5, 2022

RE: City of Half Moon Bay Local Coastal Program Amendment (LCP-2-HMB-21-0078-2) for the Short Term Rentals and Home Occupations Ordinance

Dear Mr. Benham:

Thank you for providing public comment letters submitted to the California Coastal Commission for the May 13, 2022 hearing on Half Moon Bay's proposed Local Coastal Program Amendment (LCP-2-HMB-21-0078-2) for the Short Term Rentals (STRs) and Home Occupations Ordinance. City staff have prepared responses and appreciate this opportunity to provide clarification and offer suggestions for improving the Ordinance in a matter that satisfies the Coastal Commission.

The first four responses pertain to Coastal Commission staff's recent request for additional information.

1. **Primary Residence.** *Commission staff requested more information about the purpose of the primary residence requirement, and about how the primary residence requirement would increase/preserve housing stock.*

Response: Housing inventory is severely limited in Half Moon Bay. This is especially so due to the growth control ballot measure (Measure D) that has been made part of the City's certified Local Coastal Program (LCP). Every unit matters in a community where housing insecurity is prevalent. It might not be very many units that may be initially returned to residential use, but those are important to households that might otherwise be unable to secure housing because a home is being used as a business. Likewise, the requirement applies prospectively, to prevent further loss of housing stock. It is also important to remember that housing units were entitled to be used as homes, not as businesses. The City's certified LCP includes policy about both home occupations and STRs to ensure that the primary use of residential units is for shelter.

The primary residence requirement is also intended to address nuisance issues. The City has received very few complaints about any of the hosted STR operations. Most complaints are associated with several un-hosted STRs that do not have a primary resident. Some are in corporate ownership. Such owners have never lived in the home that is being rented as an STR, or even in the City or neighborhood. There is a lack of connection to the neighborhood, its character, and expectations for the use of property with respect to noise, parking, litter, etc. We will note that we have not received many complaints about such STRs in the Ocean Colony

Planned Development area. We understand that Ocean Colony, a gated community with a Homeowner's Association, has its own requirements for STRs. Perhaps this oversight has resulted in better operating practices. For context, it is also important to consider the Home Occupation provisions, which are meant to maintain neighborhood character. STRs would not conform to these provisions due to their higher occupancy, number of vehicles, etc. STRs are businesses, as are Home Occupations. The impacts of any type of business on a residentially zoned area, including in the cumulative condition, should be a consideration for the STR ordinance. Primary residence is not required in mixed-use zones because these areas are already characterized by the activities associated with a broad mix of residential and commercial uses.

2. **Grandfathering.** *Commission staff asked if the City would support "grandfathering" existing STRs.*

Response: We appreciate this comment and that it would possibly resolve the Commission's concern about some of the various operator's displeasure with the proposed ordinance. The Half Moon Bay City Council considered grandfathering, but after deliberation, determined this would create an unlevel playing field and not be aligned with the intent for the ordinance, which is to ensure that the City's residential neighborhoods are primarily used for residential use. Moreover, when housing stock is protected for second homes, as reported in the public comment, it serves neither the Commission's goals of low-cost coastal access nor the City's goals of providing housing.

The City wants to retain existing STRs and encourage new ones to come in under the provisions of the Ordinance, provided they meet the standards developed to meet this intent. We also note that STRs are not evenly distributed throughout the City. What may appear to be a small number of units from a City-wide perspective, is actually quite a few STRs within small neighborhood pockets.

In thinking through grandfathering, it is important to establish a foundation for it. If the Coastal Commission looks toward grandfathering provisions, the following must be taken into account:

- It is an unfortunate fact that some STRs are operating illegally and for various reasons cannot be legalized. These have proven to be very difficult to enforce without an STR Ordinance. It must be made clear that the City will never support grandfathering such units for continued STR use.
- Grandfathering allowances need to expire in the case of code violations and/or discontinuance of use.
- Grandfathering needs to be limited to specified provisions of the existing STR, such as the primary residence requirement, which seems to be Coastal Commission staff's and operators' primary concern.

The City is aware of other STR ordinances certified by the Coastal Commission that require primary residence. We are unsure as to why the City of Half Moon Bay's strong preference for this provision would not be supported by the Commission as it has for other local jurisdictions.

Should the Commission wish to consider grandfathering STRs that are not compliant with the broader provisions of the ordinance, the City will be even less inclined to support the request. We would expect grandfathered STRs to abide by all of the various provisions of the administrative registration program including but not limited to performance standards, maximum capacity, parking, neighborhood notification, initial property inspection, and number of rental nights per year for un-hosted operation. In lieu of grandfathering, we hope

Commission staff would consider other options such as a longer transition period for operators to establish primary residence. The Ordinance provides one year to establish primary residency; perhaps an increase to two years would support operators to make the needed adjustments to the new provisions.

3. **60-day Limit.** *Commission staff requested additional information about the City's proposed 60-night annual limit for un-hosted STR operations and about the Chamber of Commerce's hotel occupancy data.*

Response: The Half Moon Bay Chamber of Commerce is the best data source for this information, which is presented at an aggregate level. The Chamber works with all Half Moon Bay and midcoast hotels/motels. These operators trust the Chamber with this information which is otherwise proprietary and sensitive for individual businesses. The Chamber's data indicates that supply of overnight accommodations exceeds demand. The 60-night limit will more than "match" the estimated current demand and can grow if demand increases.

In addition, the relatively small number of existing STR operators indicates that current demand is low. If demand was higher, we would expect to see a greater number of property owners seeking to capitalize on the City's current lack of STR regulations. This has not been the case.

The Half Moon Bay City Council considered a 90-night limitation, but determined that this would result in up to 45 weekends per year of un-hosted use, which would conflict with LCP policy. Furthermore, the proposed Ordinance has no limit on hosted STR use in any zoning district, and no limit on un-hosted use within mixed-use zoning districts.

4. **Timing for Certification.** *Commission staff inquired about the City's preferred timing for completing the certification review.*

Response: This City is eager to conclude this matter having spent several years working on an Ordinance that is suited well to our community. We hope to provide whatever information Commission staff need to support moving forward.

The following responses pertain specifically to two letters forwarded to us with Coastal Commission staff conveying the Commission's interest regarding these matters.

**Letter 1: Number of Short-term Vacation Rentals (STRs) in Half Moon Bay.** Commission staff requested that the City re-confirm its past representations about the cumulative and current number of STRs operating in Half Moon Bay and whether or not home occupations were included in these counts.

Response: On numerous occasions, the City has consistently presented both the cumulative number of STRs that have ever operated in the City, as well as the number of STRs currently operating. Both of these data points are our best estimates and we always clarified that the cumulative number did not represent STRs operating at the same time. The intent was to recognize the full extent of STR operations that have ever occurred in Half Moon Bay, at least to our knowledge. These figures seemed especially relevant given that the City began deliberation on the STR Ordinance during the beginning of the COVID-19 pandemic, which significantly changed STR operations with unknown long-term effects. We believe that it may be likely for an operator who has not been active to re-start their operation at some point should demand increase. Thus, tracking over time seems important. In fact, we see numerous examples of operators that fluctuate between periods of activity and inactivity. In addition to

the cumulative number, we also frequently reported the current level of activity, which obviously changed over time. We never included home occupations in these counts.

**Letter 1: STR Operator Engagement and Notification.** *Commission staff requested more information about the process for operator engagement on this ordinance.*

Response: The City held numerous, well-noticed study sessions and public hearings on this matter. We identified and contacted STR operators within the City limits. Some operators reached out to City staff, and we met with everyone who sought our time to discuss the forthcoming Ordinance as it was under development. Some of the following efforts ensured that operators, as well as residents and other interested parties, were aware of this work and encouraged to participate. Details of the process and various forms of notification and communication are highlighted below.

*City-wide Survey:* To initiate the project, an on-line survey about STRs was hosted on the City's website starting November 12, 2019. It generated 175 responses, and of those, 88 provided additional written input. The survey helped establish the City's initial email list for future notifications.

*Noticed Public Meetings:* Numerous public meetings, including four study sessions with the Half Moon Bay Planning Commission encouraged operator participation.

Date	Meeting	Meeting Format	Notification
January 28, 2020	Planning Commission Study Session	In person Televised	Email: Interested parties*
February 9, 2021	Planning Commission Study Session	In person Televised	Email: Interested parties*
February 23, 2021	Planning Commission Study Session	Zoom Televised	Email: All operators**
April 27, 2021	Planning Commission Study Session	Zoom Televised	Email: All operators**
May 25, 2021	Planning Commission Public Hearing	Zoom Televised	Email & Mail: All operators**
August 17, 2021	City Council Public Hearing, Ordinance Introduction, continued to a date certain, September 7, 2021	Zoom Televised	Email & Mail: All operators**
September 7, 2021	City Council Public Hearing, Ordinance Introduction, continued from August 17, 2021	Zoom Televised	Email: All operators**
September 21, 2021	City Council Public Hearing, Second Reading	Zoom Televised	Agenda notification

*\*Interested parties: Includes those first identified through the on-line survey and developed over time; "interested parties" included some operators.*

*\*\*All operators: While the process progressed, a complete email list of operators was established, in so far as operators had identified themselves to the City and had been paying TOT or otherwise included in City records as STR operators.*

*Social Media:* The City supplements mailed and emailed notification via several social media platforms to keep our community informed. The following summarizes when social media announcements went out about the Ordinance.

eNews	Nextdoor	Facebook/Instagram
November 14, 2019 November 21, 2019 December 5, 2019 December 12, 2019 January 21, 2020 January 23, 2020 February 4, 2021 February 11, 2021 April 15, 2021 July 22, 2021 August 5, 2021 August 12, 2021	November 14, 2019 November 22, 2019 December 10, 2019 January 21, 2020 April 7, 2020 February 4, 2021 February 11, 2021	November 18, 2019 December 10, 2019 April 7, 2020 February 4, 2021 February 11, 2021 July 22, 2021 July 29, 2021

*Meetings with City Staff:* Over the course of this process, in person and telephone meetings were requested by and held with operators, realtors, and other interested parties. In some cases, communication was initiated and concluded over a short period of time, such as through a follow-up call; in other cases, the operator, realtor, or other interested party continued to communicate with City staff on and off over the course of the process. The following summarizes some of these communications from February 2021 to September 2021, when City Council adopted the ordinance:

- Operators: Staff spoke with at least 15 operators during this period. Past, present, and prospective operators are included in this group. Some operators continued to communicate with City staff after ordinance adoption in order to stay informed about the Coastal Commission process and to start preparing for registration upon Ordinance certification.
- Realtors: Realtors often represented potential operators or were simply wanting more information to accurately represent the City's intended regulations. City staff spoke with about 15 individual agents. In addition to these communications, staff presented the draft Ordinance to the San Mateo County Association of Realtors' (SAMCAR) coastal communities group on February 23, 2021.
- Other Interested parties: Staff communicated with about 20 other interested parties, including residents and homeowner's association representatives. Some of these individuals spoke at various Planning Commission study sessions, and subsequent hearings; others were interested in keeping abreast of the process. In two cases, these individuals were seeking code enforcement involving STR operations.

It should be noted that some operators and residents did not request to meet with City staff, but participated in the Planning Commission and City Council sessions.

*Newspaper Coverage:* The STR and Home Occupation Ordinance was covered by local newspapers. The San Mateo Daily Journal ran stories on February 11, 2020, March 2, 2021, and September 13, 2021. The Half Moon Bay Review published articles on February 5, 2020, May 5, 2021, June 2, 2021, August 11,

2021, and August 25, 2021. City staff gave interviews whenever requested by local reporters in an effort to further help get the word out.

Notices ran in the Half Moon Bay Review for the May 25, 2021 Planning Commission public hearing and the August 17, 2021 City Council public hearing. The August 17, 2021 City Council public hearing was also noticed in the San Mateo Daily Journal.

*Local Coastal Land Use Plan Public Review:* Overlapping with the STR and Home Occupation Ordinance timeframe, in 2018, 2019, and 2020, the City held numerous study sessions and public hearings on the draft Local Coastal Land Use Plan which includes policies for STRs and Home Occupations. Both topics were vetted in public forums with the City's Planning Commission on numerous occasions while this important policy document was under review.

*Concluding Notes about Process and Communication:* And finally, we note that it appears that most, if not all, of the individuals who wrote to the Coastal Commission expressing concern about the City's process were in attendance at the City's public hearings. City staff had phone calls or met with several of these individuals. City staff's role in working with all interested parties, including operators, is to ensure they are included in the process. It is up to these interested parties to participate and make their suggestions and preferences known to the Planning Commission and City Council who direct the development of the Ordinance.

**Letter 1. Primary Residency Requirements.** *Commission staff requested clarification about the primary residence requirement for hosted STR activities.*

Response: All operators, other than in the mixed-use districts, would need to be a primary resident. For hosted operations, being a primary resident shouldn't be an issue.

**Letter 1. Parking.** *Commission staff asked about limiting guests to 3 vehicles (section 6e).*

Response: The maximum occupancy is 8 guests. The parking provisions are scaled to this level of occupancy and the City found that three vehicles should be adequate for that number of guests. Furthermore, most properties have two-car garages and two driveway spaces. Thus, there is room on nearly every single-family home property to provide three parking spaces.

**Letter 1. Section 11a - Existing Short-Term Vacation Rentals.** *Commission staff requested clarification about when the calendar runs for Section 11a, which says: "For approved unhosted short-term vacation rental operations, the annual calendar during which up to sixty (60) days of unhosted operations may occur commences on the date of registration issuance."*

Response: The code intends to establish that the start of the year is unique to each operator and coincides with the date of registration.

**Letter 1. Section 11c - Existing Short-Term Vacation Rentals.** *Commission staff requested clarification about Section 11c, which says: "Discontinued use for six (6) or more months for an Existing STR shall result in disqualification from these provisions.." and the interaction of this provision with rental night caps.*

Response: The scenario of an operator completing 60 un-hosted rental nights early in the year following registration would not be deemed a discontinued use. During the registration process, operators will indicate their intentions for operating as a hosted, un-hosted, or combination of both hosted and un-hosted STR. Registration renewal would be considered at the end of the period and would honor operations as continued uses even if the un-hosted operations were completed more than 6 months prior.

**Letter 1 and 2. Grandfathering.** *Commission staff noted that one issue both letters bring up is the possibility of “grandfathering” in existing non-primary residence STRs and requested further consideration.*

Response: See response above. In addition, the importance of protecting both housing stock and neighborhood character was a recurring theme coming from the community and City Council in deliberating about the draft Ordinance. Un-hosted STRs, especially if they do not have a primary resident operator, leave houses vacant many weekdays, thus diminishing the sense of community in the neighborhood. They also serve to take valuable housing units—which were planned for and entitled as such—off the housing market. As such, not “grandfathering” existing un-hosted STRs creates an opportunity to provide long-term housing for a family.

**Letter 2. 60 Day Limit.** *Commission staff requested an overview of the reasoning behind the 60-day limit in response to question 2 in the letter. Commission staff suggested that this represents the City attempt to estimate current demand.*

Response: See response above. In addition, the City’s certified LCP includes policy about STRs; specifically, that they should be subordinate to the use of residential property for homes. The draft Ordinance presented to the Half Moon Bay City Council initially proposed 90 nights un-hosted; however, Council deliberated and determined that 90 nights, which could equate to 45 two-day weekends, did not qualify as subordinate to the residential use of the property. Thus, Council looked at other STR Ordinances in the Coastal Zone, and requested a more modest, yet accommodating limit of 60 nights. This is a good place to remind those reviewing the Ordinance that the proposed Ordinance has no limit on hosted STR use in any zoning district, and no limit on un-hosted use within mixed-use zoning districts.

**Letter 2. Maximum Number of Occupants.** *Commission staff requested additional information on occupancy limits.*

Response: Half Moon Bay faces significant infrastructure constraints. The average person per household in Half Moon Bay is about 2.6. Eight guests is more than 3 times higher than this average occupancy. Household occupancy, whether for residents or visitors, affects infrastructure. Parking and water use are especially relevant as explained below:

- **Parking:** Half Moon Bay’s residential neighborhoods tend to be comprised of fairly standard residential subdivisions establishing modest sized lots developed with single-family homes including two-car garages and driveways. Because lots are not especially large or wide, street side parking is usually only one or two spaces in front of each residence. The streetside spaces, especially in the westernmost neighborhoods where STRs are most prevalent, are important for coastal access parking. The Coastal Commission recently confirmed the significance of parking in these areas through its February 2022 certification of the City’s ADU Ordinance wherein stricter on-site parking requirements were included in the ADU Ordinance for the western portions of these neighborhoods.



Thus, the 8-person limit, with an associated estimated parking demand for three vehicles, can likely be accommodated on most of these properties without taking up precious free public streetside parking spaces that are so important to our coastal visitors.

- **Water Use:** The implications of water use by STRs is especially concerning. The Coastside County Water District recently completed its 2020 Urban Water Management Plan. The Plan's drought provisions, which are currently being implemented, require significant mandatory water conservation. Relative to a typical residential household, 8 guests could result in proportionally higher water use for the days that a home is used as an STR. Operators have little control over how much water their guests use. Furthermore, water use can be significant for people of any age, and thus, our City Council was clear that babies and children should not be exempted from occupancy counts. Despite this, the City Council also recognized STRs compliment the numerous other types of lodging available in Half Moon Bay. To do so, it is important that they allow for higher occupancies than typically accommodated in hotels. Thus, the Council contemplated 6 or 8 persons. They settled on 8, but also included a water use monitoring provision for registration as a safeguard to protect this resource.

In conclusion, the City appreciates this opportunity to provide additional information to support the Coastal Commission's consideration of the City's STR and Home Occupation Ordinance. We have noted potential options for improving the Ordinance in ways responsive to Coastal Commission staff questions that are also consistent with the Half Moon Bay City Council's intention for seeing this Ordinance certified.

On May 13, 2022, City staff will be available to field questions should they arise.

Sincerely,



Jill Ekas  
Community Development Director

Copy:  
Half Moon Bay City Manager  
Half Moon Bay City Attorney

## The HMB (Half Moon Bay) STR (Short Term Rental) ordinance.

The HMB STR ordinance was sold to the HMB City Council based on a stated problem in the ordinance that there were more than 100 STR operators (Section 1h of the ordinance)<sup>(1)</sup>. After the passage of the ordinance, I requested from the city (via a Freedom Of Informa Act), the list of registered and TOT tax paying STR operators<sup>(2)</sup>. The city provided me with a list of 32 property addresses and owner names which had registrations in effect since 2017 (long before the pandemic). They explicitly removed contact information (phone numbers and email addresses) from the list that they provided me. My goal was to survey the operators to determine how the ordinance that was passed would affect the current operators. Without contact information, I was left to walk door to door and do online searches in order to engage the various STR operators to determine the effect that the ordinance would have on their activities.

After surveying the existing STR operators, I found the following facts: Clearly the list of 32 properties is ridiculously less than the 100 number that the planning commission presented to the city council to get this approved. The feedback I got was that about 10% of this list wasn't currently operating due to the pandemic. Of the 32 properties, no contact was achieved for 12 of them. Lack of presence at the properties for many repeated visits (weekdays, weekend days, evenings, Google searches for phone #'s, and people-search for phone #'s) in question suggests that they don't live on the properties and would thus be excluded from future operations under the terms of the ordinance. Beyond these 12 uncontactable properties, an additional 11 properties will not be able to operate due to the constraints of the proposed ordinance. An additional, 2 properties will no longer be operating due to medical or change of life issues. One is renting month to month now, and in theory could change to operating under the conditions of the ordinance. So, of the total of 32 properties, we're left with 6 or 7 who can continue to operate, with 4 of those absolutely preferring to not be constrained by the residency requirement. That is more than a 75% reduction of the relatively small number of actual operators.

The specifics of how each of these STR operators are affected is available in one of the links provide at the end of this message<sup>(3)</sup>.

As STR operators and long-time HMB residents, we would like you to consider the following changes to the existing ordinance.

- Allow the legacy STR operators to continue our operations without being held to the residency requirement.
- Increase the maximum number of nights per year to 90 as it was in several drafts of the ordinance.
- Allow as many cars as can fit on the STR property rather than limit it to 3.
- Allow up to 2 people per bedroom plus 2 (12 people maximum for a 5-bedroom home). This is the same number of guests San Mateo County rules allow.

These restrictions were all added or modified during a City Council meeting when a resident submitted false information as input to this ordinance's review. We have put together information that substantiates the fact that his input was completely contrived. For details, see the link at the bottom of this message<sup>(4)</sup>.

## How this happened:

This ordinance was drafted based on study of other community ordinances with almost no input from any STR operators. No consideration or assessment for the actual impact to current operators was made by the city during or after the drafting and approval of the ordinance.

They got their initial list and map of more than 100 STR operators from the company who manages business license operations for the city. Business licenses are required for both STR operations and home businesses. The planning commission explicitly stated this during one of the HMB City council meetings where the drafted ordinance was discussed.

The problem with this list of 100 operators is that it was actually a combined list of BOTH STR operators AND folks with home business licenses in the community.

It seems quite likely that the list of 32 properties provided to me by the FOIA request is actually complete since at the 2 separate city council meetings where folks got to speak in the open forum about this subject, all of the folks who spoke about their STR activities were, in fact, on this list<sup>(5)</sup>.

The city planning commission gave lip service to STR operator engagement. They published a request in the local community newspaper (HMB Review) for operators to contact them for involvement. My wife specifically contacted the person mentioned, but beyond acknowledgement of her “Hey I’d like to be involved with this discussion” message, no further contact from the city happened until the proposal was already drafted and it was on the city council agenda for approval. At that time, all operators got a paper mailing notifying them of the meeting and the subject. One operator was most likely involved in the discussion since he works for the city planning commission and operates hosted in his home.

The claim of more than 100 STR operators served to influence the city council’s concern about STR operation impacting available housing and thus putting more pressure on affordable housing concerns.

## Good things about the ordinance

Some of the details in the ordinance are very commendable:

- “good neighbor” rules
- water use
- registration and inspection, etc.

all are absolutely reasonable.

At least one city council member was concerned that new investors might try to buy properties for the sole purpose of STR operation. Again, a good concern, but adding a residency requirement for the very small number of existing operators only harms many of them, while this could readily be a requirement for new operators.

The best compromise, which was briefly considered by the city council, would be to grandfather existing operators from having to meet the residency requirement. The city council's considerations were working from the number of more than 100 operators without realizing that only 6 or 7 would be left instead of merely 30 and thus they didn't embrace the grandfathering idea.

### Primary complainer discussion:

My immediate neighbor first complained to our mutual window washer about the fact that we began to short term rent our property in August of 2019. He didn't bother to engage us, but started his campaign with the city about it. When we heard from the window washer about his concern, we walked over to his place and had a conversation in his front yard specifically to address his issue and to assure him that if he contacted me directly by phone if he heard or saw any problems, we would immediately address them. He never called, but on numerous occasions he would text us hours after he claimed there had been problems. He claimed to have called the county sheriff on at least 4 occasions, but the deputies never found any noise or other bothersome activities.

This complainer contrived stories about activities on my property and pitched the sequence of lies to the city council in the open forum at their meeting to review the proposed ordinance<sup>i</sup>. Every city council member mentioned the need to address his lies (as if they were facts) in their subsequent discussion and they sent the planning commission back with instructions to<sup>(5)</sup>:

- 1) reduce the proposed number of rental nights from 90 to 30 or maybe 60
- 2) to reduce the maximum number of guests on the property from 12 to 8 independent of the lot size or bedrooms on the property
- 3) reduce the number of guest vehicles that can park on the property to 3 (EVEN if there is room for 5 vehicles to park)

The planning commission came back with a revised ordinance which is now before the coastal commission.

After the primary complainer managed to get the current ordinance approved, he wasn't actually satisfied with the results since he hadn't gotten all STR operations to be prohibited. 3 months later (December 2021) he sold his house for a tidy profit and left town. The new property owner has no problems with our current operations even though the property has been rented for 28 nights since the purchase. This is a mix of hosted and unhosted nights.

Details documenting his contrived observations at comments in the open forum of 8/17/2021 city council meeting(iv) and city council reactions are documented visible via the Timeline of the STR discussions at this meeting.

## Open questions:

- 1) Since there is no limit on hosted STR activities, would an operator need to meet the 183 day residency requirement to operate only hosted activities?
- 2) Parking question. We've got room for 4-5 guest cars in our driveway. Given no impact to on-street parking by guests with 4 cars, why does section 6e limit our guests to 3 cars?
- 3) Section 11a. Existing Short-Term Vacation Rentals. Says: "For approved unhosted short-term vacation rental operations, the annual calendar during which up to sixty (60) days of unhosted operations may occur commences on the date of registration issuance." What precisely does "annual calendar" mean here? Does it mean that the count of 60 unhosted days starts on the date of the registration issuance and go forward for a full year, or does it mean that we get 60 during 2021 and 60 more during 2022, etc., and do the days we're already rented this year (prior to initial registration approval) count toward the total of 60?
- 4) Section 11c Existing Short-Term Vacation Rentals. Says: "Discontinued use for six (6) or more months for an Existing STVR shall result in disqualification from these provisions.." Since we are limited to 60 un-hosted rental nights, that limit may be exhausted early in any given year which would then disallow future un-hosted rentals. It would not be hard to imagine that no future rentals happen for the remainder of the year. Would this automatically cancel the effective registration?

---

## Backup Information Links

(1) Copy of the ordinance that the planning commission presented and was passed by the HMB city council (solving the over 100 STR operators problem):

<https://drive.google.com/file/d/1-WfTCeV9OTqgqhoay-M320W4KvRkC8UdT/view?usp=sharing>

(2) eMail discussion with city clerk about Freedom Of Information list of STR operators:

<https://drive.google.com/file/d/1-h0fWnz069iTga7ImgBNPTxnsLcLTOKr/view?usp=sharing>

(3) List of STR TOT Payers and the survey info gathered

<https://docs.google.com/spreadsheets/d/1tAeLTziGe2RCIwDZ9XzQjabvmV13f3NZdzTnW3IKFQM/edit?usp=sharing>

(4) Our follow-up message to the HMB City Council after the 8/17/2021 meeting where lies were told which influence the city council to increase restrictions:

<https://drive.google.com/file/d/1-becmq511oFcMhDeu5MIR-5BpiXPn3Kn/view?usp=sharing>

---

(5) HMB City Council meeting 8/17/2021 – Timeline of STR discussions

<https://docs.google.com/spreadsheets/d/1zHQ7i7IJC6YKmBaaLZKpD0zjvetzSvDhxc4F5CwG6s/edit?usp=sharing>

**From:** [Benham, Peter@Coastal](mailto:Benham.Peter@Coastal)  
**To:** [Benham, Peter@Coastal](mailto:Benham.Peter@Coastal)  
**Subject:** FW: Proposed Ordinance for STRs in HMB Public Hearing, May 13th  
**Date:** Wednesday, May 4, 2022 9:20:45 AM

---

**From:** Sergey Savastiouk <[savastuk@gmail.com](mailto:savastuk@gmail.com)>

**Date:** Sunday, May 1, 2022 at 9:32 PM

**To:** NorthCentralCoast@Coastal <[NorthCentralCoast@coastal.ca.gov](mailto:NorthCentralCoast@coastal.ca.gov)>, Carl, Dan@Coastal <[Dan.Carl@coastal.ca.gov](mailto:Dan.Carl@coastal.ca.gov)>, Rexing, Stephanie@Coastal <[Stephanie.Rexing@coastal.ca.gov](mailto:Stephanie.Rexing@coastal.ca.gov)>

**Cc:** KoppmanNorton, Julia@Coastal <[julia.koppmannorton@coastal.ca.gov](mailto:julia.koppmannorton@coastal.ca.gov)>, Jeffrey chew <[jchew888@gmail.com](mailto:jchew888@gmail.com)>

**Subject:** Proposed Ordinance for STRs in HMB Public Hearing, May 13th

Re: Request to Grandfather Short-Term Vacation Rental in the Ocean Colony in Half Moon Bay

Dear Mr. Carl and Ms. Rexing and KoppmanNorton:

We would like to stress the fact that all short-term rental (STR) operators are against the Proposed Ordinance and they submitted their letter, but we will address a specific issue related to STRs which operate in the boundaries of the Ocean Colony, a gated community near Ritz-Carlton in Half Moon Bay (HMB).

We must address the way the City Council of HMB conducted its hearings related to the Proposed Ordinance. We believe that the City Council violated “the principle of Fundamental Fairness”.

Section 30320 of the California Coastal Act clearly states that

*(a) The people of California find and declare that the duties, responsibilities, and quasi-judicial actions of the commission are sensitive and extremely important for the well-being of current and future generations and that the public interest and principles of fundamental fairness.*

The first example of unfairness is in the fact that the City Council “grandfathered” STR in the HMB downtown area and did not grandfather the operators in the Ocean Colony. The City Council of HMB never investigated why HOA of the Ocean Colony grandfathered its operators ten years ago. The simple analysis would have shown that the same STR operators in Ocean Colony must be grandfathered because they have adjusted their practices per the recommendations provided by HOA and have an excellent record for the past ten years. They also have been relying on this supplemental income and could not lose it as well as they have

got long term commitments to their tenants.

Comparing the actions of the City Council of HMB and Santa Cruz (which grandfathered the current STR operators) it is clear the City Council of HMB felt short in exercising its authority.

The second example of unfairness is that the City Council of HMB did not do a fair due process and did not act responsibly in exercising its authority. Most STR operators were notified about the Proposed Ordinance in August of 2021 while the City Council claimed that the public hearings were taking place for two or three years.

This City research was not presented to any public hearings even though the City claims that (k) City research of the short-term vacation rentals operating within the city limits concludes that short-term vacation rentals with direct oversight from the property owner and/ or long-term tenant operate more compatible within their surrounding neighborhood and tend to be lower cost.

We believe that The Proposed Ordinance is inconsistent with the California Coastal Act and Half Moon Bay's certified Local Coastal Land Use Plan which includes policies addressing residential land use compatibility, the preservation of housing stock, short-term vacation rentals, home occupations, and coastal access provisions relative to infrastructure capacity and the need for lower cost visitor serving accommodations.

We believe there is a simple solution to address our concerns regarding the Proposed Ordinance. It is also a solution that has been used by other communities along the California coast, including the City of Santa Cruz.

That solution is to simply "grandfather" existing operators of STRs in Half Moon Bay, at the minimum the STR operators in the Ocean Colony such that they would not be subject to the Proposed Ordinance. Many of these homeowners purchased their properties with the expectation that they would be available for use as STRs. Taking away that right to operate an STR is viewed by many as an infringement on, and an expropriation of, basic property rights. Also, grandfathering of existing operators would not exempt them from the other public nuisance-related laws, regulations and rules that require them to operate their properties in a responsible manner that also protects the rights and interests of their immediate neighbors and the community.

Ten years ago we were committed to file a lawsuit to protect our property rights and such an approach helped our HOA to settle the conflict. We will consider the same step if we believe that our voices are not taken into account as it was the case during the HMB hearings.

Another way to approach this conflict of unfairness is to return the Proposed Ordinance to the City Council of HMB for further investigation and fair settlement.

Regards,



Ocean Colony STR Operators

Savastuk

Chew

California Coastal Commission  
North Central Coast District Office  
455 Market Street, Suite 300  
San Francisco, CA 94105

Attn: Mr. Dan Carl, District Director ([dan.carl@coastal.ca.gov](mailto:dan.carl@coastal.ca.gov))  
Ms. Stephanie Rexing, District Manager ([Stephanie.Rexing@coastal.ca.gov](mailto:Stephanie.Rexing@coastal.ca.gov))  
Ms. Julia KoppmanNorton, District Supervisor  
([Julia.koppmanNorton@coastal.ca.gov](mailto:Julia.koppmanNorton@coastal.ca.gov))

February 28, 2022

Re: Opposition to the Proposed Short-Term Vacation Rental and Home Occupation Ordinance in Half Moon Bay

Dear Mr. Carl and Mses. Rexing and KoppmanNorton:

We are writing on behalf of a group of short-term rental property owners and other interested parties to present to the California Coastal Commission (the "Commission") our objections to the Short-Term Vacation Rental and Home Occupation Ordinance (the "Proposed Ordinance") that was recently approved by the City Council of Half Moon Bay (the "City Council") for presentation to the Commission for adoption.

We appreciate the time and attention of the Commission to consider the views contained in this letter. While **the signers of this letter have numerous concerns and objections relating to the Proposed Ordinance**, we have attempted to limit the contents of this letter to those factors and objections that we feel are most relevant to the Commission, taking into consideration the Commission's own stated goals, mandates and existing regulations.

One of the main goals set forth in the Commission's strategic plan is to "maximize public access and recreation for all." We note the Commission's stated vision as follows:

*Commission Vision: The California coast is available for all to enjoy through thousands of public access ways to and along the shoreline, a completed California Coastal Trail, a well-supported network of parks and open spaces, and a wide range of visitor-serving facilities, including lower-cost campgrounds, hostels, and hotels.*

We also note the following policy that has been adopted by the Commission and referenced in the most recent Local Coastal Land Use Plan for Half Moon Bay:

*Policy 5-1. Maximum Coastal Access and Recreational Opportunities. Provide maximum coastal access and recreational opportunities for all people consistent with public safety needs and the need to protect public rights, rights of property owners, and natural resource areas from overuse.*

We believe that the Proposed Ordinance is in direct contravention of this important goal, the Commission's vision as well as its current policy. Un-hosted short-term rental properties ("STRs") provide an important alternative for families and groups of friends that would prefer to access the California coast through a communal living environment, rather than a hotel or motel. With the rise of the shared economy in recent years, there are an increasing number of travelers that prefer Airbnb or VRBO options when traveling. The recent Commission staff recommendation relating to the proposed STR rule changes in San Diego sum it up well:

*[STR]s provide a service to coastal visitors looking for a different, and often more affordable, type of overnight accommodations than traditional hotels can provide. [STR]s typically offer rooms for gatherings, multiple sleeping accommodations for larger families and groups, full kitchens, and laundry facilities. Some visitors prefer the experience of living in a community like a "local" and patronizing local business over the commercial experience of staying in a branded hotel.<sup>1</sup>*

By severely limiting STRs, the Proposed Ordinance would directly restrict and decrease these housing options, which will discourage some visitors from seeking to access the resources of the California coast in favor of other destinations where accommodation options are more diverse. **It is important to note that, in most cases, STRs offer a lower cost alternative to hotels or motels, particularly when considered on a per-guest basis.** There are some STRs that have become annual vacation destinations for families visiting Half Moon Bay. These families would likely go elsewhere if the STR option were not available in Half Moon Bay. By reducing or eliminating STRs on the coast in and around Half Moon Bay, coastal access for such visitors will be severely impaired.

While the City Council may argue that the Proposed Ordinance does not constitute a ban on STRs and simply serves to regulate their operations, we would point out that the net impact of the various STR restrictions contained in the Proposed Ordinance would effectively serve as a prohibition. In particular:

1. The requirement that the owner of the STR must have the relevant property as his or her own **primary residence has no bearing on the owner's ability to use the property in a responsible manner**, as evidenced by the many positive reviews (and no complaints from neighbors) that are typical of STRs currently hosting guests in Half Moon Bay. It is important to note that in the Proposed Ordinance, **STRs hosting visitors in the Commercial-Downtown, Commercial-General, or Commercial Visitor Serving Zoning District are exempt from this primary residence requirement.** Despite repeated questioning, the City Council

---

<sup>1</sup> STAFF RECOMMENDATION ON CITY OF SAN DIEGO MAJOR AMENDMENT NO. LCP-6-SAN-21-0046-2 (Short Term Rentals) for Commission Meeting of March 9, 2022, dated February 17, 2022.

did not provide a reasonable basis for applying the primary residency requirement to some homeowners but not others, which we believe reflects the fundamental unfairness of the Proposed Ordinance.<sup>2</sup>

2. The proposed cap of 60 nights per year for each property is an arbitrary limit that serves only to limit the access to the property by interested renters and limit the revenue from the property to the owner. **Note that San Diego's proposed STR ordinance caps whole home unhosted nights at 90 days, which is 50% higher than what is proposed in the Proposed Ordinance. This difference has a profound impact on the number of room nights available during the year.**
3. The limit on number of occupants (8) is another arbitrary limit that is not tied to the capacity of the relevant dwelling or the number of bedrooms/beds. Many STRs in Half Moon Bay can comfortably accommodate 10 or even 12 occupants.

While each one of these restrictions may on its own seem to be innocuous, the sum of **these various restrictions means that it will be very difficult if not impossible to maintain the number of STRs that are currently available for rental.**

We also disagree with the City Council's claim that STRs have in some cases eliminated residential use of dwelling units, especially those used as "whole house" or unhosted STRs, and thereby reduced the overall housing stock. In our experience, **most of the STR homeowners highly value their own use of the property and would be unwilling to rent out their homes under long-term leases,** as that would reduce or eliminate their own use of the property and their own frequent enjoyment of the California coast.

It is important to appreciate that STRs generate occupancy taxes that help to fill the coffers of the city, and also help to support an ecosystem of house cleaners, gardeners, handymen and other relatively lower income workers in Half Moon Bay.

We would also like to point out that there are currently only around 32 STRs in Half Moon Bay (**less than 1% of the total housing in Half Moon Bay**).<sup>3</sup> The City Council has not provided any evidence or basis for concern that the number of STRs in Half Moon Bay will substantially increase anytime soon (and thereby limit available housing in the city). Taking that together with the current low number of STRs in

---

<sup>2</sup> We would note that the factors distinguishing Mission Beach from the rest of San Diego in San Diego's proposed STR ordinance, primarily being the historical high use of STRs in that area, do not exist with respect to the Half Moon Bay commercial areas.

<sup>3</sup> We dispute the City Council's claim that more than one hundred STRs have operated within the city limits.

Half Moon Bay, it becomes clear that the Proposed Ordinance is trying to address a problem that does not exist.

Instead of discouraging the growth of STRs (under the false and unsupported assumption, as claimed by the City Council, that it will result in more affordable housing becoming available in Half Moon Bay), the City of Half Moon Bay would actually benefit from the establishment of more STRs, since it would lead to:

- a wider variety of lower cost accommodations for visitors to the California coast;
- higher tourist revenues to surrounding businesses;
- more tax income for the city; and
- increased employment for workers that are direct service providers to the STRs.

Section 30213 of the California Coastal Act provides that:

*"Lower cost visitor and recreational facilities shall be protected, encouraged, and, where feasible, provided."*

**On average, an overnight stay in an STR property for 6 to 8 people is only slightly higher than the cost of a typical hotel room for 2 people.**

Penalizing this small number of homeowners of STRs for providing such a service to out-of-town guests and allowing for greater access to the resources of the California coastline is clearly inconsistent with the Commission's goals.

We believe there is a simple solution to address our concerns regarding the Proposed Ordinance. It is also a solution that has been used by other communities along the California coast, including the City of Santa Cruz. That solution is to simply "grandfather" existing owners of STRs in Half Moon Bay, such that they would not be subject to the Proposed Ordinance. **Many of these homeowners purchased their properties with the expectation that they would be available for use as STRs. Taking away that right to use their home as an STR is viewed by many as an infringement on, and an expropriation of, basic property rights.** Also, grandfathering of existing STR homeowners would not exempt them from the other public nuisance-related laws, regulations and rules that require them to use their properties in a responsible manner that also protects the rights and interests of their immediate neighbors and the community as a whole.

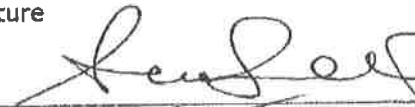


For the reasons stated above, we believe that the Proposed Ordinance is inconsistent with the California Coastal Act and Half Moon Bay's certified Local Coastal Land Use Plan, which includes policies addressing residential land use compatibility, the preservation of housing stock, short-term vacation rentals, home occupations, and coastal access provisions relative to infrastructure capacity and the need for lower cost accommodations for visitors to the California coast.

**We hope the Commission will carefully consider the points in this letter and take the actions we suggest to modify the Proposed Ordinance by grandfathering the current**

homeowners who use their properties as STRs for a portion of the year. This will allow for continued lower cost and varied short-term housing options for people visiting the California coast, which is one of the key mandates of the Commission, while at the same time bringing more customers to local businesses on the coast, increasing occupancy tax revenues for the city and providing income to those workers that support the hosting of guests at STRs (house cleaners, gardeners and handymen, in particular).

Sincerely,

*The undersigned have standing on the matter before the Commission as unhosted STR owners licensed by the City of Half Moon Bay. Most of the undersigned have also provided written or oral comments to the City Council during the review period of the Proposed Ordinance.*

Name and Address	Signature
Anna Savastieuk 445 Fairway Dr, Half Moon Bay	
JEFFREY CHEW 16 MUNKFIELD RD, HMB, CA 94019	
Jeff Smith 659 Grove St, Half Moon Bay, CA 94019	
_____	_____
_____	_____
_____	_____
_____	_____

F11a

**City of Half Moon Bay LCP Amendment Number LCP-2-HMB-21-0078-2  
(Short Term Rentals and Home Occupations)**

*Please note that we did not have enough advance notice to submit our comments on May 6. We have emailed Coastal Commission Staff and all the members of the Coastal Commission (including alternates) as listed on the web site. Thank you.*

Prepared May 9, 2022 for May 13, 2022 Hearing

To: California Coastal Commission  
From: Edith Wong, Half Moon Bay Homeowner  
Date: May 9, 2022  
Re: Unnecessarily Restrictive STR Regulations in Half Moon Bay

Dear Commissioners,

**I am writing to ask the Coastal Commission to deny Half Moon Bay's IP amendment on the grounds that it does not effectively implement LUP Policy 5-1 and LUP Policy 5-70. Namely, the STR policy diminishes coastal access for families with young children and people with mobility issues, and does not adequately address visitor demand for diverse, affordable accommodation.**

I am the matriarch of a three-generation family that has been blessed to own a vacation home at 231 Spruce Street in Half Moon Bay for over 15 years. While we are not primary residents, we are responsible members of the Half Moon Bay community who have developed deep friendships in the community; and have spent countless hours picking up trash at local beaches.

Several years ago, we decided to share our home with other families as a Short Term Rental (STR) when we ourselves are not using the house. Our home, located in a residential neighborhood, is affordably priced for families and offers walking access to the beach. Our local manager is extremely sensitive to maintaining the character of our neighborhood. She is responsive to guests, and very protective of our neighbors, who are also our friends.

We fully support "good neighbor operational restrictions" and believe that these restrictions, in addition to instating a cap on the absolute number of STRs, would adequately address Half Moon Bay's concerns to protect neighborhood integrity and preserve housing stock. According to the report, such caps "are often common in LCPs" (p.11).

Instead of an absolute STR cap, Half Moon Bay has created a set of complicated operating restrictions that takes away STRs like ours, which have proven to be compliant, effective and highly sought after as affordable accommodation options. The Report concedes that Half Moon Bay's LCP is "fairly restrictive relative to other LCPs statewide" (p. 2). However, the Report does not justify why these restrictions exceed other localities, nor does it state strongly enough that these restrictions would diminish attractive, affordable options for families that provide easy access to the coast.

**By definition, family vacation homes are perfectly set-up for other families to vacation in.** It just doesn't make sense to take existing vacation homes off the STR market when they would otherwise be unoccupied. Our home is walking distance from the beach and is replete with books and games for children, as well as play areas and a stocked kitchen. Our guest reviews attest that families want to vacation together in a relaxed environment where they can walk to the beach, and not worry about primary resident supervision.

According to the Report, there are currently only 30 active STR operators, and only 10 who do not have primary residency. **If this is the case, why not grandfather in those of us who are in good standing?** The implementation plan does grandfather in ADUs who have already been permitted. It follows that the same accommodation could be made for STRs in residential areas. Grandfathering in STR operators in good standing and/or putting a cap on the absolute number of STRs would easily address the City's concerns about preserving future housing stock and protecting neighborhood integrity.

I appreciate that the proposed amendment allows existing and even new STRs in the commercial district to have unlimited unhosted stays. **What the Report doesn't mention, is that the commercial district is east of the very busy Highway 1.** Commercial district STRs means that families with children (and all their gear) would either have to traverse Highway 1 on foot, or pack their cars and drive to get to the coast. The first option is dangerous, the second is cumbersome and increases traffic congestion. Neither option allows for the kind of casual, easy access to the beach that families prize for their vacations.

**The proposed amendment prioritizes the commercial district over coastal access and thus minimizes, instead of maximizes, coastal access and recreational opportunities.** Our guests consistently, specifically cite walking access to the beach/Coastal Trail as the feature they appreciate most about our home. They love their early morning runs, being able to hear the ocean at night, and exploring bluffs and the Coastal Trail at their leisure.

**Vacation homes directly on the coast are exactly the kind of affordable accommodation option that the Coastal Commission should want to protect.** We offer families a distinct value proposition that adds needed diversity to the local accommodation market. According to one of our guests: *"We looked into every hotel in the area and they were either cheap & sketchy or so incredibly expensive they were out of our budget. So we decided to try AirBnB... this one seemed the most comfortable, the most reasonably priced, and we liked the location a lot."*

When my grandchildren were younger, they used a little red wagon to take their sand toys to the beach. We extend this tradition through our guests. I am over 80 years old now and often use a wheelchair. Because of the repaved walkway on Poplar Road, my family can wheel me from our house to the Coastal Trail. **I am deeply saddened that guests young and old will not be able to enjoy this same easy access route on their vacations if the current plan gets passed.**

**There is no reason to take vacation homes like ours off of the STR market when alternative measures in other LCPs in California – namely caps on absolute numbers of STRs – could also be utilized in Half Moon Bay.** Half Moon Bay's current LCP implementation plan uses a sledgehammer to crack a nut. Moreover, the IP makes it exponentially easier for visitors to walk to a bar than walk to the beach.

Commissioners – I implore you: Please do not regulate us out of the joy of sharing our vacation home, and please do not deprive other families from an affordable vacation where they can walk to the beach and make happy memories together.

**With concern and respect, I urge you to deny the current amendment, and ask the City of Half Moon Bay to find a way to allow "good neighbor" STRs in residential neighborhoods to continue to operate, unfettered by requirements for primary residency and restrictions on unhosted stays.**

Thank you,  
Edith Wong  
231 Spruce Street, Half Moon Bay, CA 94019  
323-664-5900, sabrinawong@gmail.com