## **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



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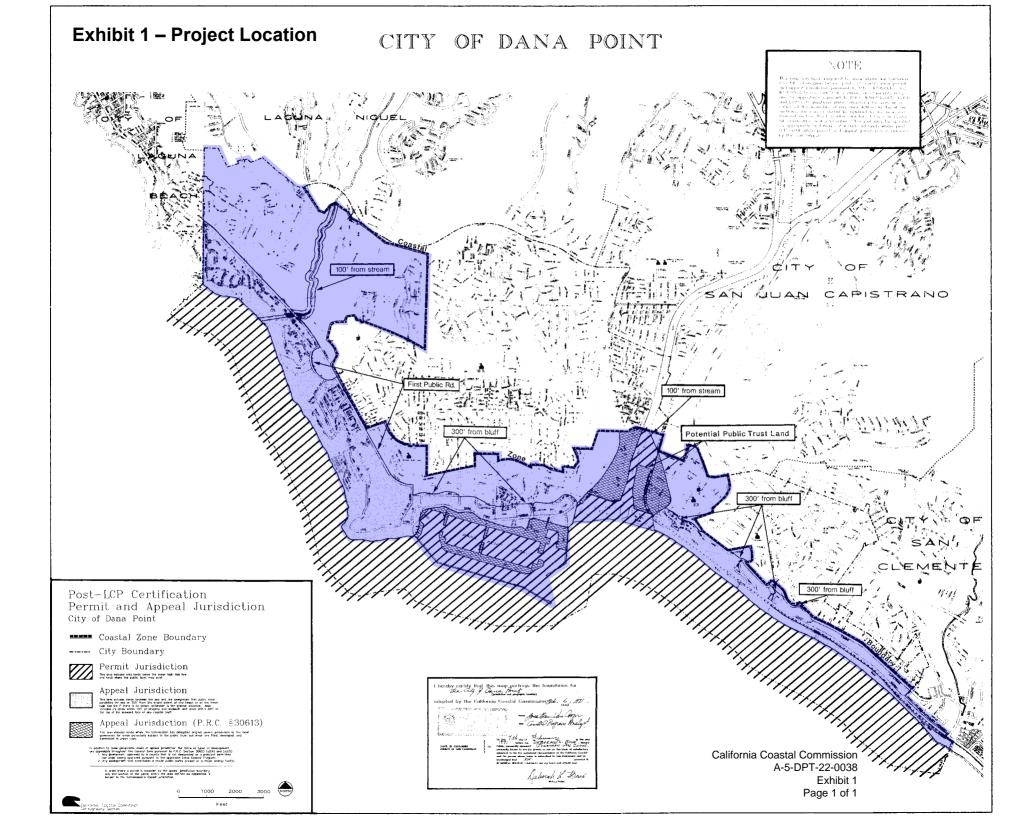
# **W12b**

## A-5-DPT-22-0038 (City of Dana Point)

## **SEPTEMBER 7, 2022**

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## Exhibit 2 – Final Changes to Short-Term Rental Program

Shahar,

Thank you for the time to discuss the City's recently approved STR Program. Per your request, staff has provided a summary of the key elements of the STR Program and included responses to the questions identified on our July 20, 2022 call. I have also attached the Planning Commission staff report from May 9, 2022, and slides with statistics on the enforcement of STRs and illegal STRs. Please let me know if you have any questions.

#### **Primary Change**

The two fundamental differences between the proposal the City Council considered, and its final version are that (1) the Council made modifications to make clear the CDP only applies in the Coastal Zone since the Council was uncomfortable giving up its jurisdiction related to STRs outside the Coastal Zone; and (2) to eliminate any cap on Home Stay and Primary Residence STRs which were proposed to be capped at 100. To achieve the initially proposed goal of 185 traditional STRs City wide, the Council looked at the total currently existing inside and outside the CZ, and then did a pro-rata apportionment (51% - 49%) to bring the total current number (129) to 185. As we discussed in our call, the 115 cap it came up with in the CZ is actually higher than the true pro-rata number (it's more like 62% - 38%) due to an inadvertent counting error, but the Council decided to leave it at 115. The City is continuing to work on a program that would apply to the 63 STRs outside of the CZ, and any additional permits it may decide to authorize there.

#### **Existing Permits and Proposed Cap**

The STR Program establishes regulations for STRs in the Coastal Zone. All existing permits are "Grandfathered" and continue to be valid.

The Program creates 5 categories of STRs:

- (1) Non-Primary STR traditional investment properties rented as STRs;
- (2) Home Stay STR renter stays within home of owner while owner present;
- (3) *Primary Residence STR* renter stays in owner's primary home, while owner is away;
- (4) Multi-Family Home Stay STR short term rental of a unit within a multi-family building, where the owner of the STR lives in the same building and is present during rental; and
- (5) *Mixed-Use Parcel STR* a *Non-Primary STR* located on a parcel zoned to allow mixed use (i.e., commercial downstairs and residential upstairs).

A summary of existing quantities of each of these 5 types of STRs, and the caps created for each different type, are summarized in the Table below.

STR Type	Existing Amount*	Proposed Cap
Non-Primary Short- Term Rentals	129 permits citywide 66 in the CZ (51%) 63 out of the CZ (49%)	115** in the CZ
Primary Short-Term Rentals	4 citywide 1 in CZ 3 outside CZ	No Cap
Home Stay Short Term Rental	3 permits citywide 1 in CZ 2 outside CZ	No Cap
Multi-Family Home Stay Short Term Rental	3 permits City wide 1 in CZ 2 outside CZ	No Cap
Mixed Use Parcel Non- Primary STR	0 permits City wide	190 City wide

\*Existing STR permits are not issued by type. The distribution shown is based on City staff's knowledge of how the STR is currently being operated. It is assumed that all existing STR permits may operate as Non-Primary STRs.

\*\* 115 was established by using an assumed 185 STRs City wide and prorating the difference between the CZ and the rest of the City. When it was realized 115 exceeded the actual pro-rata number (62% instead of 51%), the Council decided to nevertheless leave it at 115.

### **STR Program Goals**

Two stated goals of STR Program are: (1) to encourage Home Stay, Multi-Family Home Stay and Primary STRs since the property owner resides on-site, the STR is less likely to generate nuisance issues, and (2) to encourage STRs on Mixed-Use Parcels, rather than residential areas to maintain neighborhood character.

#### **Permit Cap Adjustments**

To advance the above two goals, but still ensure a significant number of STRs could actually be permitted, the Program allows for an adjustment to the Non-Primary STR permit cap under the following conditions:

1. When a new Home Stay, Multi-Family Home Stay or Primary STR Permit is issued, the cap for Non-Primary STR Permits (i.e., 115) is reduced by one (1). This reduction does not impact existing Non-Primary STR Permits, including when such Permits are considered for annual renewal. It only applies to either: (1) reduce the number of Non Primary STR Permits available to be issued in the event less than the total number of permissible Permits have been issued, or (2) limit the availability of Non-Primary STR Permits that would otherwise be available to Property Owners on the STR Permit waitlist.

- Adjustments to Non-Primary STR cap when new Mixed-Use Parcel STR Permits are issued:
  - a. To encourage this type of STR, an increased cap of 190 new Mixed-Use Parcel STR Permits was established.
  - b. To encourage this type of STR, there is a 25% reduction in STR permit fee.
  - c. Each time a Mixed-Use Parcel STR Permit is issued for a Non-Primary STR located within the Coastal Zone, the numerical cap for Non-Primary STR Permits (i.e., 115) is reduced by one (1). This reduction does not impact existing Non-Primary STR Permits, including when such Permits are considered for annual renewal. It only applies to either: (1) reduce the number of Non-Primary STR Permits available to be issued in the event less than the total number of permissible Permits have been issued, or (2) limit the availability of Non-Primary STR Permits that would otherwise be available to Property Owners on the STR Permit waitlist.
  - d. As shown in the attached map, Mixed Use zoning is located in the Town Center, Doheny Village, and a small cluster of parcels at the south end of town. Town Center and Doheny Village are both located in the Coastal Zone.

The following is not applicable. The information was presented in the staff report, but was removed from final Program as a result of modifications made by the City Council.

Capistrano Bay District (Beach Road): Cap of 35 STRs of *any* type (currently there are 31 Non-Primary STRs, 1 Home Stay STR in the District).

Caps for Non-Primary and Multi-Family Homestay: In addition to the 35 in Beach Road, a combined cap of 150 Non-Primary and Multi-Family Home Stay STR was proposed, allocated as 90 Multi-Family Home Stay and 60 Non-Primary STR

Caps for Home Stay and Primary Residence STR: A combined cap of 100 Home Stay and Primary Residence STR was proposed.

Adjustments to Caps:

a. The initial proposal included adjustments to the caps to ensure if the Multi-Family Home Stay STR concept did not have the anticipated demand, the unused capacity could be used for Non-Primary STRs. The rolling adjustment called for the 150 cap for Non-Primary STRs outside Beach Rd. to increase by 10 Permits every 6 months (for 3 years) if an assumed number of Multi-Family Home Stay STR Permits were not issued during each 6 month period.

b. The initial proposal also contained the provisions to allow 190 Mixed Use Parcel STR Permits for Non-Primary STRs, with a reduction by one (1), to the 150 Non-Primary STR Permit cap each time a Mixed Use Parcel STR Permit is issued.

## Answers to additional questions discussed on the July 20, 2022 call are provided below.

1. Concerns were raised for the parking regulations and how that could impact studio and one bedrooms STRs from comply with the two parking space requirement.

Per Section 9(c) of the STR Program, the Director has the discretion to make modifications to the Program to provide flexibility for studio and one bedroom units to only be required to provide one parking stall to not impact the ability of these smaller units to obtain an STR permit.

2. How will the permit fee be determined.

The City Council will establish a permit fee (currently \$150) to only reflect the costs of service including the development, management and enforcement of the STR Program. The fee will be structured to amortize the City's costs over a significant period of time and is anticipated to be less than \$1,500.00.

## **John Ciampa**

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#### **RESOLUTION NO. 22-07-12-01**

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF DANA POINT, CALIFORNIA, DENYING IN PART, AND AFFIRMING IN PART, THE APPEAL OF THE PLANNING COMMISSION'S APPROVAL OF COASTAL DEVELOPMENT PERMIT CDP22-0010 (THE CDP) TO ESTABLISH A SHORT-TERM RENTAL PROGRAM TO REGULATE THE PERMITTING AND OPERATION OF SHORT-TERM RENTALS IN THE CITY, BY UPHOLDING THE PLANNING COMMISSION'S APPROVAL OF THE CDP AND AMENDING THE PROGRAM APPROVED BY THE PLANNING COMMISSION

The City Council for the City of Dana Point does hereby resolve as follows:

WHEREAS, the City of Dana Point filed a verified application for a Coastal Development Permit to establish a Short-Term Rental Program (STR Program) to regulate the permitting and operation of short-term rentals (STRs) in the City; and

WHEREAS, said verified application constitutes a request as provided by Title 9 of the Dana Point Municipal Code; and

WHEREAS, STRs have historically been a part of Dana Point and enhanced regulatory provisions and fines were adopted in 2021 to limit community impacts and impose strict enforcement measures; and

WHEREAS, relevant court decisions, *Kracke v. City of Santa Barbara* (2021) 63 Cal.App.5<sup>th</sup> 1089 and *Keen v. City of Manhattan Beach* (2022) 77 Cal.App.5<sup>th</sup> 142, provide the framework that any regulation and/or prohibition of STRs in the Coastal Zone requires compliance with the Coastal Act, such as with an amendment to the City's Local Coastal Program (LCP), or issuance of a Coastal Development Permit (CDP); and

WHEREAS, the California Coastal Commission has made clear that it will not support a prohibition of STRs based on its interpretation of the Coastal Act; and

WHEREAS, the City understands that it is the Coastal Commission's position, which has been confirmed by the Courts in the above noted cases, that STRs are already legally authorized as residential uses, which are permitted by the City's existing zoning and Local Coastal Program in various zoning districts in the City; and

WHEREAS, because STRs are already permitted by the City's zoning and Local Coastal Program, in order to comply with the Coastal Act, a CDP is proposed to allow the regulation of STRs; and

WHEREAS, until STR regulations are established, the City will face arguments that STRs may operate at any existing residential property in the Coastal Zone, without regulation or limitation; and

WHEREAS, pursuant to the California Environmental Quality Act (CEQA), the adoption of the STR Program does not qualify as a "project" because it does not authorize any new construction or development in the City, and rather, only establishes regulations limiting the potential uses of certain existing residential dwelling units, and as such would not result in either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment. Alternatively, if the adoption of the STR Program is a "project" subject to CEQA, it falls within Categorical Exemption Class 1 -Section 15301 (Existing Facilities), in that the STR use is an already established residential use in the City (as determined by the CCC and related case law), and the City's adoption of the STR Program would not result in intensification or expansion of that use, and rather would limit it. Further, in the event the City Council's actions in adopting the CDP is not exempt, the City has satisfied its CEQA obligations and no additional review is required pursuant 14 CCR 15162, as the City has previously adopted a Mitigated Negative Declaration by Resolution 13-12-03-08, relating to short term rentals, and (a) there are no substantial changes related to the involvement or severity of any potential environmental impacts, (b) there are no substantial changes related to the circumstances under which the project is undertaken that would require major revisions to the previously approved MND, and (c) there is no new information of substantial importance showing that the project would have new or more severe environmental impacts, or any new or more feasible mitigation measures; and

WHEREAS, the Planning Commission did, on the 9<sup>th</sup> day of May, 2022, hold a duly noticed public hearing as prescribed by law to consider said request and the CDP establishing the STR Program; and

WHEREAS, at said public hearing, upon hearing and considering all testimony and arguments, if any, of all persons desiring to be heard, said Commission considered all factors relating to Coastal Development Permit CDP22-0010, and approved the project 4-1: and

WHEREAS, on the 23<sup>rd</sup> day of May, 2022, Kim Tarantino and Mark Zanides, submitted an appeal of the Planning Commission approval; and

WHEREAS, on the 21<sup>st</sup> day of June, 2022, the City Council held a lawfully noticed hearing on the appeal of the Planning Commission's determination with respect to CDP22-0010, and continued the public hearing to July 12, 2022; and

WHEREAS, on the 12<sup>th</sup> day of July, 2022, the City Council reopened the lawfully noticed hearing on the appeal of the Planning Commission's determination with respect to CDP22-0010, and considered all testimony and arguments for and against said appeal.

NOW, THEREFORE, BE IT HEREBY RESOLVED by the City Council of the City of Dana Point as follows:

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Section 1. That the above recitations are true and correct, adopted as findings of the Council, and incorporated herein by this reference.

Section 2. Based on the evidence presented at the public hearing, the City Council denies the appeal in part, and affirms it in part, by upholding the Planning Commission's decision to adopt CDP22-0010 for the Short-Term Rental (STR) Program, and revising the STR Program approved by the Planning Commission to address community concerns as set forth in the accompanying Exhibit A, subject to the following findings and conditions of approval:

#### Findings:

#### Coastal Development Permit CDP22-0010

- 1. That the project is in conformity with the certified Local Coastal Program (LCP) as defined in Chapter 9.75 of this Zoning Code (Coastal Act/30333, 30604(b); 14 Cal. Code of Regulations/13096) in that, the STR Program allows the establishment of regulations for STRs in the City. The Coastal Commission has determined (which determination was confirmed by court decisions including Kracke v. City of Santa Barbara (2021) 63 Cal.App.5th 1089 and Keen v. City of Manhattan Beach (2022) 77 Cal.App.5th 142) that STR uses are the same as any other residential use already permitted by the City's zoning and LCP, and they are therefore a permitted use in the City's Residential and Mixed-Use zones. The STR Program regulations ensure STRs are compatible with residential neighborhoods and safeguards the peace, safety and general welfare of the residents of Dana Point. The regulations prohibit excessive noise, disorderly conduct, vandalism, overcrowding, traffic congestion, illegal vehicle parking, and the accumulation of refuse. The establishment of regulations for STRs and a permitting process ensures the City provides a mix of overnight accommodations to provide coastal access to visitors as required by the Coastal Act and the City's LCP. The City's existing supply of overnight accommodations along with the STR Program's balanced approach increases the availability of overnight (market rate and affordable) accommodations while protecting neighborhoods, long-term housing stock. and public access.
- 2. If located between the nearest public roadway and the sea or shoreline of any body of water, that the project is in conformity with the public access and public recreation policies of Chapter Three of the Coastal Act (Coastal Act/30333, 30604(c); 14 Cal. Code of Regulations/13096) in that, the establishment of the STR Program increases public access in the Coastal Overlay District in the City by creating additional opportunities for overnight accommodations for visitors. The establishment of four types of STRs (Non-Primary, Primary)

Residence, Home Stay and Multi-Family Home Stay STRs) allows for improved overnight access to the coast with amenities that provide a mixed range of affordability to ensure all types of visitors can access the coast in Dana Point. The establishment of the STR Program is in addition to the 1,864 hotel rooms and 120 campsites within the City limits. Allowing more Home Stay STRs than are realistically needed to meet demand, and prioritizing Multi-Family Home Stay STRs expands the potential for affordable overnight accommodations since these STRs are, by design, an affordable option by allowing the renting of individual rooms or an attached unit versus an entire house.

- 3. That the project conforms to Public Resources Code Section 21000 (the California Environmental Quality Act - CEQA) and following, in that, the STR Program does not qualify as a "project" because it does not authorize any new construction or development in the City, and rather, only establishes regulations limiting the potential uses of certain existing residential dwelling units, and as such would not result in either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment. Alternatively, if the adoption of the STR Program is a "project" subject to CEQA, it falls within Categorical Exemption Class 1 - Section 15301 (Existing Facilities), in that the STR use is an already established residential use in the City (as determined by the CCC and related case law), and the City's adoption of the STR Program would not result in intensification or expansion of that use, and rather would limit it. Further, in the event the City Council's actions in adopting the CDP is not exempt, the City has satisfied its CEQA obligations and no additional review is required pursuant 14 CCR 15162, as the City has previously adopted a Mitigated Negative Declaration by Resolution 13-12-03-08. relating to short term rentals, and (a) there are no substantial changes related to the involvement or severity of any potential environmental impacts, (b) there are no substantial changes related to the circumstances under which the project is undertaken that would require major revisions to the previously approved MND, and (c) there is no new information of substantial importance showing that the project would have new or more severe environmental impacts, or any new or more feasible mitigation measures.
- 4. That the proposed development will not encroach upon any existing physical access-way legally utilized by the public or any proposed public accessway identified in an adopted Local Coastal Program Land Use Plan, nor will it obstruct any existing public views to and along the coast from any public road or from a recreational area in that, the project is for the establishment of an STR Program to establish regulations for the permitting and operation of STRs

and does not result in any physical development that would encroach on any access-way or public view identified in the City's LCP. The STR Program creates a range of affordable overnight accommodations to increase access to the coast for visitors of Dana Point. The STR Program requires, at a minimum, a review by the Community Development Director every five years; however, the City has the authority to review the Program sooner and propose amendments to the CDP to incorporate modifications and/or mitigation to address any impacts of the Program on public access and/or public views.

- 5. That the project has been sited and designed to prevent adverse impacts to environmentally sensitive habitats and scenic resources located in adjacent parks and recreation areas, and will provide adequate buffer areas to protect such resources in that, the project is for the establishment of an STR Program to establish regulations for the permitting and operation of STRs and does not result in any physical development that would create adverse impacts to environmentally sensitive habitats and scenic resources identified in the City's LCP. The establishment of the STR Program will improve public access to the coast and not result in adverse impacts to the environment or recreational areas.
- 6. That the project minimizes the alteration of natural landforms and will not result in undue risks from geologic and erosional forces and/or flood and fire hazards resources in that, the project is for the establishment of an STR Program to establish regulations for the permitting and operation of STRs and does not result in any physical development.
- 7. That the project is visually compatible with the character of surrounding areas, and, where feasible, will restore and enhance visual quality in visually degraded areas in that, the project is for the establishment of an STR Program to establish regulations for the permitting and operation of STRs and does not result in any physical development.
- 8. That the project conforms with the General Plan, Zoning Code, applicable Specific Plan, Local Coastal Program, or any other applicable adopted plans and programs in that, the establishment of an STR Program allows for the establishment of regulations for STRs in the City. The Coastal Commission has determined (and that determination was confirmed by Court decisions) that STR uses are the same as any other residential use already permitted by the City's zoning and LCP and is therefore a permitted use in Residential and Mixed-Use zones in connection with existing residential or mixed-use structures. The establishment of STR regulations ensures the use is compatible with residential neighborhoods and safeguards the peace, safety and general

welfare of the residents of Dana Point and their visitors and guests by eliminating excessive noise, disorderly conduct, vandalism, overcrowding, traffic congestion, illegal vehicle parking, and the accumulation of refuse which are directly related to short-term rentals. The establishment of regulations for STRs and a permitting process ensures the City provides a mix of overnight accommodations to provide coastal access to visitors as required by the Coastal Act and the City's LCP. The City's existing supply of overnight accommodations along with the STR Program's balanced approach increases the availability of overnight (market rate and affordable) accommodations while protecting neighborhoods, long-term housing stock, and public access.

#### **Conditions**:

#### **General:**

- 1. Approval of this application permits the STR Program, which establishes permitting, regulations, and penalties for short-term rentals.
- 2. The STR Program shall be reviewed by the Community Development Director at least every five (5) years to re-evaluate the permit cap, regulations, penalties, and all other aspects of the STR Program to determine if amendments should be made. Amendments to the Program must be processed as an amendment to the Coastal Development Permit.
- 3. The provisions of Municipal Code Section 5.38.080 shall remain applicable to STRs outside the Coastal Zone, but the provisions of the STR Program, and this CDP, shall not apply to STR Permits issued for STRs outside of the Coastal Zone.
- 4. Within six (6) months of approval of this application, applications for new short-term rentals permits in the Coastal Zone shall be accepted by the City for review.
- 5. Approval of this application is valid for a period of 24 months (two years) from the noted date of determination. If the development approved by this action is not established, the approval shall expire and shall thereafter be null and void.

PASSED AND ADOPTED this 12th day of July, 2022.

JOSEPH L. MULLER MAYOR

ATTEST:

SHAYNA SHARKE CITY CLERK

STATE OF CALIFORNIA )
COUNTY OF ORANGE ) §
CITY OF DANA POINT )

I, Shayna Sharke, City Clerk of the City of Dana Point, do hereby certify that the foregoing Resolution No. 22-07-12-01 was duly adopted and passed at a regular meeting of the City Council on the 12<sup>th</sup> day of July, 2022, by the following roll-call vote, to wit:

AYES:

Viczorek, Villar, Muller

NOES:

Federico, Frost

ABSENT:

None

ABSTAIN:

None

SHAYNA SHARKE CITY CLERK

#### **Exhibit A**

## **Coastal Development Permit Short-Term Rental Program**

#### 1. Introduction

The following sets forth the rules and regulations for the City of Dana Point's Short-Term Rental Program (the "STR Program"), the purpose of which is to require the owner or owners of a residential Dwelling that operates as a Short-Term Rental ("STR"), as defined herein, to apply for and secure a permit authorizing such use in the manner provided for by this STR Program to safeguard the peace, safety and general welfare of the residents of Dana Point, their guests, and out of town visitors, by eliminating excessive noise, disorderly conduct, vandalism, overcrowding, traffic congestion, illegal vehicle parking, and the accumulation of refuse which are directly related to STRs. There are currently existing STR Permits in the City. These existing STR Permits are subject to the provisions of this STR Program on a moving forward basis, including the provisions hereof related to renewals; but, they are "grandfathered" in the sense they continue to remain valid and the holders of such STR Permits do not need to submit a new initial application.

#### 2. Definitions

The following definitions shall apply to the STR Program:

- (a) "Accessory Dwelling Unit" shall mean an attached or a detached residential Dwelling that provides complete independent living facilities for one or more persons and is located on a lot with a proposed or existing primary residence. It shall include permanent provisions for living, sleeping, eating, cooking, and sanitation on the same parcel as the single-family or multi-family dwelling is or will be situated. An Accessory Dwelling Unit also includes the following: (A) An efficiency unit, and (B) A manufactured home, as defined in Section 18007 of the Health and Safety Code."
- (b) "Agent" shall mean the representative, if any, designated by the owner in accordance with Section 5.38.040 of the Municipal Code.
- (c) "City Manager" shall mean the City Manager of the City of Dana Point or designee.
- (d) "Community Development Director" shall mean the Community Development Director of the City of Dana Point or designee.
- (e) "Dwelling Unit" or "Dwelling" shall have the same meaning as set forth in Section 9.75.050 of the Municipal Code.
- (f) "Home Stay Short-Term Rental" shall mean an STR at a Dwelling (as defined in the Municipal Code) at which the Property Owner rents a portion of the Dwelling Unit for use as an STR while continuing to live in the Dwelling Unit during the period of the rental.
- (g) "Junior Accessory Dwelling Unit" shall mean a unit that is no more than 500 square feet in size and contained entirely within a single-family residence. A Junior Accessory Dwelling Unit may include separate sanitation facilities or share sanitation facilities with the existing structure."
- (h) "Mixed-Use Parcel" shall mean a parcel upon which the City's zoning permits commercial and residential uses to exist at the same time (i.e., commercial on first floor and residential on upper

floors). By way of example only, as of the effective date of the STR Program, parcels located in the following zoning districts in the City would meet the definition of Mixed-Use Parcel: C/R; R/C - 18; P/R; TC-MU.

- (i) "Mixed-Use Parcel STR Permit" shall mean a Permit for either a Non-Primary STR or a Multi-Family Home Stay STR issued for an STR located in a Dwelling on a Mixed-Use Parcel.
- (j) "Multi-Family Home Stay Short-Term Rental" shall mean an STR at a parcel upon which a multi-family Dwelling (i.e., a duplex, tri-plex, etc.) lawfully exists, and at which all the following conditions also exist: (i) the Property Owner owns two or more Dwellings on the parcel, and (ii) the Property Owner resides in one of the Dwellings on the parcel and such Dwelling unit is the Property Owner's Primary Residence, and (iii) one of the Dwellings owned by the Property Owner is used for STR purposes.
- (k) "Non-Primary Short-Term Rental" shall mean a Dwelling used for Short-Term Rental purposes other than a Home Stay, Multi-Family Home Stay or Primary Residence Short-Term Rental.
- (I) "Permittee" shall mean the holder of an STR Permit.
- (m) "Primary Residence" shall mean a Dwelling which a Permittee uses as his or her domicile and permanent principle home for legal purposes.
- (n) "Primary Residence Short-Term Rental" shall mean an STR at a Dwelling which is the Property Owner's Primary Residence, as evidenced per the provisions hereof, which is being rented for STR purposes when the Property Owner is traveling or living elsewhere.
- (o) "Property Owner" shall mean a person who holds a recorded interest in a parcel upon which a Dwelling exists which is used for, or proposed to be used for an STR. In the case of a trust, both the trustees and any person or entity holding a beneficial interest of more than 5% in the trust are deemed to be the Property Owner. In the case of a business entity, any person having an ownership interest of more than 5% in the entity shall be deemed to be a Property Owner.
- (p) "Short-Term Rental" or "STR" shall have the same meaning as Section 5.30.020(e) of the Municipal Code.
- (q) "STR Permit" means a permit issued to the Property Owner to authorize use of a Dwelling for STR purposes pursuant to the STR Program.

#### 3. STR Permit Limitations:

- (a) A maximum of 115 STR Permits may be issued for Non-Primary STRs in the City, with this limitation only applicable to Non-Primary STRs at Dwellings located inside the Coastal Zone. Any STR Permits issued as of the effective date of this STR Program for Non-Primary STRs shall continue to be valid, and shall count towards this numerical cap.
- (b) There shall be no limit on the number of STR Permits that may be issued for Multi-Family Home Stay, Home Stay or Primary Residence STRs in the City's Coastal Zone. Any STR Permits issued as of the effective date of this STR Program for STRs that meet the definition of a Multi-Family Home Stay, Home Stay or Primary Residence STR shall continue to be valid.
- (c) Two goals of this STR Program are (1) to encourage Home Stay, Multi-Family Home Stay and Primary STRs because there is less potential for nuisance issues in situations where the STR Permit

is issued for a parcel which is the Property Owner's Primary Residence and (2) to encourage STRs on Mixed-Use Parcels, rather than parcels zoned for single family Dwellings so as to avoid impacts on surrounding residents at such parcels. Towards this end, the following provisions shall apply:

- Adjustments to cap when new Home Stay, Multi-Family Home Stay or Primary Residence STR
   Permits are issued:
  - A. Each time after the effective date of this STR Program that a new STR Permit is issued in the Coastal Zone for a Home Stay, Multi-Family Home Stay or Primary Residence STR Permit, the cap for Non-Primary STR Permits noted in Section (3)(a) shall be reduced by one (1).
  - B. This reduction to the numerical cap shall have no impact on or application to an existing Non-Primary STR Permit, including when such STR Permit is considered for annual renewal. Rather, it shall only apply to either: (1) reduce the number of Non-Primary STR Permits available to be issued in the event less than the total number of applicable, permissible STR Permits have been issued, or (2) limit the availability of Non-Primary STR Permits that would otherwise be available to Property Owners on the STR Permit waitlist.
- ii. Adjustments to cap when new Mixed-Use Parcel STR Permits are issued:
  - A. A maximum of 190 new Mixed-Use Parcel STR Permits may be issued for Non-Primary STRs that are located on Mixed-Use Parcels.
  - B. Mixed-Use Parcel STR Permits shall be required to pay the STR Permit fee established by the City Council in an amount calculated as follows (Total STR Permit Fee x 0.75).
  - C. Mixed-Use Parcel STR Permits may be issued without regard to the numerical cap noted in Section 3(a) above, and do not count towards determining such numerical cap.
  - D. Each time a Mixed-Use Parcel STR Permit is issued for a Non-Primary STR, the numerical cap for such category of STR Permits noted in Section 3(a) [as such cap may be adjusted pursuant to the provisions of Section 3(c)(1)] shall be reduced by one (1). This reduction to the numerical cap shall have no impact on or application to an existing Non-Primary STR Permit, including when such STR Permit is considered for annual renewal. Rather, it shall only apply to either: (1) reduce the number of Non-Primary STR Permits available to be issued in the event less than the total number of applicable, permissible STR Permits have been issued, or (2) limit the availability of Non-Primary STR Permits that would otherwise be available to Property Owners on the STR Permit waitlist.
- (d) When a parcel upon which a Dwelling exists for which an STR Permit has been issued is sold, the STR Permit shall expire upon the date the title to such parcel transfers, and the STR Permit shall not transfer to the new Property Owner. Should the new Property Owner desire to use any Dwelling on the parcel as an STR, such new Property Owner must apply for and receive an STR Permit.
- (e) Notwithstanding the foregoing, if a parcel upon which a Dwelling exists for which an STR Permit has been issued changes ownership through an inheritance, or as a result of a family transfer that

results in no new property tax assessment of the parcel, the STR Permit may be transferred provided the new Property Owner(s) is/are family members of the prior Property Owner. In such circumstance, the new Property Owner may apply for an STR Permit transfer. The STR Permit transfer shall be subject to such requirements as may be imposed by the Community Development Director to confirm the new Property Owner(s) is(are) a family member(s) of the prior Property Owner(s). Prior to the first use of any Dwelling on a parcel as an STR after a change of ownership as a result of an inheritance, an STR Permit transfer shall have been approved by the City. The Community Development Director shall determine if a familial relationship exists, and shall base that decision on the totality of the facts of any given circumstance in a manner that carries out the intent of this provision consistent with applicable laws.

- (f) Upon reaching the maximum number of Non-Primary STR Permits, the City will establish a waitlist for the issuance of Non-Primary STR Permits when they become available.
- (g) Upon the effective date of the STR Program, STR Permits shall be limited to one STR Permit per Property Owner without regard to the category of STR to which such STR Permit applies (i.e., whether for a Home Stay, Non-Primary, Multi-Family Home Stay, or Primary Residence STR.) Any STR Permits issued prior to the effective date of the STR Program which conflict with this provision shall be deemed to be "grandfathered" and will remain valid, subject to all other provisions hereof until such time as the pre-existing STR Permit(s) expire(s) or is (are) revoked.
- (h) An STR Permit shall not be issued for a Dwelling located in a multi-family structure if issuance of such Permit would result in the creation of a "hotel", as defined by the Dana Point Zoning Code (i.e., 6 or more guest rooms or suites located in a structure or group of structures.)
- (i) After five years of the STR Program, the Community Development Director will review the Program to determine if a change to the maximum number of STR Permits should be considered. Any change to the maximum number of STR Permits shall be subject to an amendment to the Coastal Development Permit.

#### 4. Permit Holders/Agents

- (a) STR Permits shall be issued only to the Property Owner of the parcel upon which a Dwelling exists that is proposed to be used as an STR. The Property Owner shall be responsible for compliance with the provisions of this STR Program, and any STR Permit.
- (b) A Property Owner may retain an Agent or a representative to comply with the requirements of this STR Program, including, without limitation, the filing of an application for an STR Permit, the management of the STR, and the compliance with the conditions to the STR Permit. The Property Owner shall sign and notarize an agreement satisfactory to the Community Development Director demonstrating the creation of an Agent relationship. The failure of an Agent to comply with this STR Program or any STR Permit condition shall be deemed non-compliance by both the Property Owner and Agent, and both shall be subject to any adverse action by the City related to a violation, including imposition of fines and STR Permit revocation.

#### 5. Permit Required

No person shall rent, offer to rent, or advertise for rent a Dwelling for use as an STR without a valid STR Permit approved and issued by the City of Dana Point for the Dwelling.

#### 6. Application for Permit

The Property Owner of the parcel upon which a Dwelling exists that is proposed to be used as an STR shall submit an application for an STR Permit to the Community Development Director. The application for an STR Permit shall be upon forms provided by the City and shall contain the following information:

- (a) The name, address, email, and telephone number of the Property Owner, and all persons or entities that are Property Owners, of the parcel upon which a Dwelling exists that is proposed for use as an STR and for which the STR Permit is requested.
- (b) The name, address, email, and telephone number of the Property Owner's Agent, if any.
- (c) The address of the Dwelling proposed to be used as an STR.
- (d) Evidence of a valid transient occupancy tax registration certificate issued by the City in connection with the proposed STR.
- (e) Proof of general liability insurance in the amount of one million dollars (\$1,000,000.00) combined single limit and an executed agreement to indemnify, defend, and save the City harmless from any and all claims and liabilities of any kind whatsoever resulting from or arising out of the issuance of the STR Permit or the use of the Dwelling to which the STR Permit applies as an STR.
- (f) In connection with an application for a Primary Residence, or Home Stay STR the Property Owner shall provide evidence that the Dwelling proposed to be used as an STR is the Property Owner's Primary Residence which shall at a minimum include evidence that the Property Owner has filed for and received a homeowner's exemption for the Dwelling as part of its most recent property tax assessment and a secondary form of evidence designating the Dwelling as the Property Owner's domicile such as an income tax return, car registration, Driver's License or similar official record satisfactory to the Community Development Director.
- In connection with an application for a Multi-Family Home Stay STR, the Property Owner shall provide evidence that one of the Dwellings on the parcel where the proposed STR is located is the Property Owner's Primary Residence which shall at a minimum include evidence that the Property Owner has filed for and received a homeowner's exemption for the Dwelling as part of its most recent property tax assessment and a secondary form of evidence designating the Dwelling as the Property Owner's domicile such as an income tax return, car registration, Driver's License or similar official record satisfactory to the Community Development Director.
- (h) Acknowledgment that the Property Owner (and Agent if applicable) received a copy of, reviewed and understands the regulations pertaining to the operation of an STR within the city.
- (i) The STR to which the Permit applies shall not be prohibited by any Homeowners Association Conditions, Covenants, and Restrictions ("CC&Rs") or any other community standards/guidelines applicable to the parcel where the Dwelling to be used as an STR is located.
- (j) Such other information as the Community Development Director deems reasonably necessary to administer this STR Program.

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(k) Permits shall only be issued to the Property Owner of the parcel upon which a Dwelling exists that is proposed to be used as an STR. If multiple Property Owners exist, one such owner may be designated as the Agent, subject to the provisions hereof related to Agents.

- (I) Only one (1) STR Permit, for one Dwelling, shall be issued to any person or entity that meets the definition of a Property Owner hereunder; and, when an STR permit is issued for a Dwelling, it is deemed to be issued to all Property Owners of such Dwelling.
- (m) A fee for issuance of an STR Permit shall be established by the City Council.

#### 7. Application for Waitlist

A Property Owner desiring to be added to the City's waitlist for Non-Primary STR Permits shall submit a waitlist application. Once received, the Property Owner will be added to the City's STR Permit waitlist.

- (a) Property Owners on the STR Permit waitlist must provide an application annually to verify continued eligibility to preserve their position on the STR Permit waitlist.
- (b) A Property Owner's position on the STR Permit waitlist is not transferable.
- (c) The application for the STR Permit waitlist shall be upon forms provided by the City and shall contain the following information:
  - (1) The name, address, email, and telephone number of the Property Owner of the parcel upon which a Dwelling exists that is proposed for use as an STR and for which the STR Permit is requested.
  - (2) The address of the Dwelling proposed to be used as an STR.
  - (3) Additional information as the Community Development Director deems reasonably necessary to administer this STR Program.
- (d) The STR Permit waitlist fee shall be the same as the STR Permit fee. Upon selection and STR Permit issuance, the STR Permit waitlist fee paid will be applied toward the first year's STR Permit fee.
- (e) Upon selection from the STR Permit waitlist, the Property Owner shall have 14 days to submit a complete STR Permit application to the City.

#### 8. Renewal of Permit

All Property Owner's holding STR Permits shall apply for and renew their STR Permit annually on March 1<sup>st</sup> or an alternative date as determined by the Community Development Director. STR Permit renewals shall include any changes to the information or requirements set forth in these regulations, as well as proof of current general liability insurance as required in Section 6(e) of this Program.

In the case of renewal of STR Permits issued for Primary Residence and Home Stay STRs, the Property Owner shall provide evidence that the Dwelling proposed to be used as an STR continues to be the Property Owner's Primary Residence which shall at a minimum include evidence that the Property Owner has filed for and continues to receive a homeowner's exemption for the Dwelling as part of its most recent property tax assessment and a secondary form of evidence designating the Dwelling as the Property

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Owners domicile such as an income tax return, car registration, Driver's License or similar official record satisfactory to the Community Development Director.

In the case of renewal of STR Permits issued for Multi-Family Home Stay STRs, the Property Owner shall provide evidence that one of the Dwellings on the parcel where the proposed STR is located continues to be the Property Owner's Primary Residence which shall at a minimum include evidence that the Property Owner has filed for and received a homeowner's exemption for the Dwelling as part of its most recent property tax assessment and a secondary form of evidence designating the Dwelling as the Property Owner's domicile such as an income tax return, car registration, Driver's License or similar official record satisfactory to the Community Development Director.

Any STR Permit that is inactive during a permit year (meaning no rentals occurred during the year) will not be renewed. The inactivity requirement can be waived if the Dwelling to which the STR Permit renewal applies is under renovation, as evidenced by validly issued, unexpired building permits, or for good cause as determined by the Community Development Director. Any STR Permit inactive for two permit years shall not be renewed.

#### 9. Conditions of Permit Issuance and Renewal

- (a) STR Permits and renewals issued pursuant to this STR Program are subject to the following standard conditions:
  - (1) All STR Permits shall comply with the terms of this STR Program and the provisions of this STR Program are deemed to be included in all STR Permits by the Community Development Director pursuant to Sections 5.38.080(b) and (c) of the Municipal Code.
  - (2) The Property Owner (or Agent if applicable) shall ensure that the STR complies with all applicable codes regarding fire, building and safety, and all other relevant laws and ordinances.
  - (3) The Property Owner (or Agent if applicable) shall provide proof that STR to which the Permit applies is not prohibited by any Homeowners Association Conditions, Covenants, and Restrictions ("CC&Rs") or any other community standards/guidelines applicable to the parcel where the Dwelling to be used as an STR is located.
  - (4) Concurrent with the issuance of the STR Permit and annually upon its renewal, City Staff shall provide notice of the proposed action on the STR Permit to all property owners and tenants abutting the parcel, or in the case of an STR in a multi-family Dwelling the owners and tenants of all other Dwelling Units on the parcel and/or in the same structure, upon which the Dwelling proposed to operate as an STR is located. The notice shall also provide the contact information for the Property Owner (and Agent if applicable) and their twenty-four (24) hour emergency contact phone number. The notification package shall also identify the City's twenty-four (24) hour STR hotline phone number, Code Enforcement phone number, and Orange County Sheriff's Department phone number. The notice shall not afford the abutting owners/tenants any protest, appeal, or other related rights; rather, its intent is to provide the abutting property owners/tenants with an annual reminder as to the contact information for the various individuals and entities

- responsible for enforcement in the event that an issue arises with the operation of the STR.
- (5) The Dwelling for which an STR Permit is requested must pass an initial inspection by the City prior to STR Permit issuance. The City may conduct additional inspections as deemed necessary or prudent at any reasonable time, including prior to subsequent renewals.
- (6) The Property Owner shall provide a twenty-four (24) hour emergency contact that will be available to respond to issues at the STR.
- (7) The STR must have and maintain a minimum of two (2) off-street parking spaces.
- (8) The STR must have a visible house number easily seen from the street, day or night.
- (9) All advertising for the STR shall include the City issued STR Permit number in the subject line and in the description of the STR. In addition, all photographs, maps, and diagrams of the STR that are used for advertising purposes shall impose the City-issued STR Permit number in the lower right-hand corner in a font, style, size, and color to be reasonably legible, with any dispute as to the meaning of this provision subject to interpretation by the Community Development Director.
- (10) The primary overnight and daytime renter, who shall also be residing as a guest in the STR during any STR rental period must be an adult twenty-five (25) years of age or older. This adult must provide a telephone number to the Property Owner (or Agent if applicable) and shall be accessible to the Property Owner by telephone at all times.
- (11) Prior to occupancy, the Property Owner (or Agent if applicable) shall obtain the name, address, and driver's license number or a copy of the passport of the primary adult occupant of the STR. The Property Owner (or Agent if applicable) shall require that same adult to sign a formal acknowledgment that he or she is legally responsible for compliance by all occupants and guests of the STR with the provisions of this STR Program, as well as a copy of the City's Good Neighbor Acknowledgment. An unsigned copy of the City's Good Neighbor Acknowledgment shall be posted in a conspicuous location within the STR, along with a copy of the City's STR regulations. This information shall be readily available upon request of any police officer or employee of the City authorized to enforce this STR Program or State law.
- (12) The Property Owner (or Agent if applicable) shall rent the STR for a minimum stay of two (2) consecutive nights.
- (13) The maximum overnight occupancy of the STR shall be limited to two (2) persons per bedroom plus two (2) additional persons within the STR. The Community Development Director may, when unusual size, interior layout, parking, or other physical characteristics are shown, approve a greater maximum number of overnight occupants as part of an STR Permit application or renewal. The maximum daytime occupancy shall be limited to two and a half (2.5) times the overnight occupancy and not exceed twenty (20) persons; however, the Community Development Director may, when unusual size, or other physical characteristics, approve a greater maximum number of daytime occupants as part of an STR Permit application or renewal.
- (14) The maximum number of vehicles allowed at the STR shall be limited to one (1) vehicle per one (1) bedroom unit or two (2) vehicles maximum with two (2) or more bedrooms

within the STR. The Community Development Director may, when unusual size, parking, or other physical characteristics are shown, approve a greater maximum number of vehicles as part of an STR Permit application or renewal. The Property Owner must ensure a sufficient number of parking spaces are accessible to tenants to accommodate the maximum number of vehicles allowed.

- (15) No on-site exterior signs are to be posted on a parcel advertising an STR at the location.
- (16) Trash and refuse shall not be left stored within public view, except in proper containers for the purpose of collection by the responsible trash hauler and between the hours of 5:00 p.m. the day before and 8:00 a.m. the day after the scheduled trash collection days, as provided in Chapter 6.10 of the Dana Point Municipal Code. In the event the Property Owner fails to comply with this provision, he/she shall be required to sign up for walk-up trash service provided by the City's waste disposal franchisee and provide proof to the City of the same. The Property Owner shall provide sufficient trash collection containers and services to meet the demand of the occupants of the STR.
- (17) Each lease or rental agreement for an STR shall include the following terms, notifications, and disclosures, which shall also be posted in a conspicuous location inside the STR:
  - (A) The maximum number of occupants that are permitted and notification that failure to conform to the maximum occupancy is a violation of this STR Program.
  - (B) The number of parking spaces provided and, if not adjacent to the STR, the location of assigned parking and the maximum number of vehicles that are permitted.
  - (C) The trash pick-up day(s) and applicable rules and regulations pertaining to leaving or storing trash on the exterior of buildings on the parcel.
  - (D) Notification that the occupant may be cited or fined by the City and/or immediately evicted by the Property Owner (or Agent as applicable) for violating any and all applicable laws.
  - (E) The name of the Property Owner or Agent, and a telephone number at which that party may be reached at all times and 9-1-1 Emergency information.
  - (F) Summary of applicable Homeowners Association Conditions, Covenants, and Restrictions (CC&Rs) and bylaws, including pool location and hours.
  - (G) The terms, notifications, and disclosures must be posted during the registration process.
- (18) The Property Owner shall ensure that the occupants of the STR do not create unreasonable noise or disturbances, engage in disorderly conduct, or violate provisions of the Municipal Code or any State Law pertaining to noise, disorderly conduct, overcrowding, alcohol consumption, or the use of drugs. Property Owners are expected to take any measures necessary to abate disturbances, including, but not limited to, directing the tenant, calling for law enforcement services or City code enforcement officers, evicting the tenant, or any other action necessary to immediately abate the disturbance.

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- (19) The Property Owner or Agent as applicable shall, upon notification that occupants or tenants of an STR have created unreasonable noise or disturbances, engaged in disorderly conduct, or committed violations of the Municipal Code or State Law pertaining to, but not limited to, noise, disorderly conduct, and/or overcrowding, take action to abate the issue within thirty (30) minutes of the Property Owner or Agent being notified of a complaint and prevent a recurrence of such conduct by those occupants or guests. In some instances, the Property Owner or Agent may be required to arrive on site within thirty (30) minutes of a received complaint to address the issue and ensure there is not a re-occurrence.
- (20) No outside noise from the STR shall be heard during quiet hours of 10:00 p.m. to 7:00 a.m.
- (21) The Property Owner or Agent as applicable shall include ADA information, if available, in all advertisements for the STR (e.g., stairs, signage, ingress/egress, parking, storage, utilities, showers and lavatories, air conditioning, etc.).
- (22) Advertisements, and information provided in the STR itself, shall disclose whether bicycles or other means of transport (scooters, skateboards, carpooling, rideshare, etc.) are available.
- (b) The Community Development Director shall have the authority at any time to impose additional standard conditions, applicable to all STRs, as necessary to achieve the objectives of this STR Program.
- (c) The Community Development Director shall have the authority to impose additional conditions on any STR Permit in the event of any violation of the conditions to the STR Permit or the provisions of this STR Program subject to compliance with the procedures specified in Section 5.38.100 of the Municipal Code.
- (d) The Property Owner or Agent as applicable shall maintain a valid transient occupancy tax registration certificate issued by the City for the STR, and shall collect and remit transient occupancy tax as required by Chapter 3.25 of the Municipal Code.

#### 10. Short-Term Rental Operator Regulations

The following are additional regulations and clarifications applicable to all Property Owners or Agents if applicable for the operation of STRs. These regulations may be updated periodically by the Community Development Director for clarification of situations that may develop based on the implementation of the STR Program and regulations within the City.

- (a) No person shall rent, offer to rent, or advertise for rent a Dwelling for use as an STR if such Dwelling is an Accessory Dwelling Unit, Junior Accessory Dwelling Unit, created as part of Single-Family Residential Duplex (as defined by Zoning Code Section 9.72), or designated as an affordable housing unit, and no STR Permit shall be issued for any such Dwelling.
- (b) No person shall rent, offer to rent, or advertise for rent a Dwelling for use as an STR unless such Dwelling is in a zoning district where residential uses are allowed, including, but not limited to, detached single-family dwellings, condominiums, duplexes, triplexes, townhomes, and multiple-family dwellings, and no STR Permit shall be issued for a Dwelling that does not meet this criteria.

- (c) Home Stay STR and Multi-Family Home Stay STR shall be subject to the following:
  - (1) Notwithstanding any other provision of this STR Program to the contrary, the Property Owner of a Home Stay STR or Multi-Family Home Stay STR shall be present at the parcel upon which the STR is located during the rental period between the hours of 10:00 p.m. to 7:00 a.m.
  - (2) A maximum of one Home Stay STR Permit may be issued for any parcel upon which multiple Dwellings exist.
  - (3) In no instance shall a Home Stay STR Permittee allow the use of an on-site camper, RV, or tent by renters as part of the STR use on a parcel.
- (d) Primary Residence STR shall be subject to the following:
  - (1) A Property Owner to whom an STR Permit for a Primary Residence STR is issued shall be limited to renting the Dwelling to which the STR Permit applies for a maximum of 60 days per 12-month period, (with the date starting on the date the STR Permit is issued) unless further restricted by CC&R regulations. Compliance will be monitored by the transient occupancy tax annual submittal, and such other means as deemed necessary and appropriate by the Community Development Director.

#### 11. Violations and Penalties

- (a) Violations are described in Conditions of Permit Issuance and Renewal. The following conduct shall constitute a violation for which the penalties specified in Section 5.38.090 of the Municipal Code and subsection (b) below may be imposed, or for which the STR Permit may be revoked:
  - (1) The Property Owner and/or Agent has failed to comply with the standard conditions specified in Conditions of Permit Issuance and Renewal Section (a);
  - (2) The Property Owner and/or Agent has failed to comply with conditions imposed by the Community Development Director pursuant to the provisions of Conditions of Permit Issuance and Renewal Section (b) or (c);
  - (3) The Property Owner and/or Agent has willfully violated the provisions of this Program;
  - (4) The Property Owner and/or Agent has failed to comply and pay any fines imposed pursuant to subsection (b) within thirty (30) days of the date of notification; or
  - (5) The Property Owner and/or Agent has failed to comply and pay the transient occupancy tax or submit a report as required by Chapter 3.25 of the Municipal Code within the required time limit.
- (b) Penalties. The penalties for violations imposed per subsection (a) above, or the Municipal Code, shall be the responsibility of the Property Owner, and/or the Agent if applicable, and are issued per day per violation as follows:

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(1) For the first violation, the penalty shall be the maximum monetary amount allowed per State law;

- (2) For a second violation, the penalty shall be the maximum monetary amount allowed per State law:
- (3) For a third violation, the penalty shall result in the immediate revocation of the STR Permit. In the event the STR Permit has been revoked, the Property Owner shall thereafter be ineligible to receive an STR Permit for any category of STR to be operated on the same parcel upon which the STR for which the Permit was revoked existed.

#### 12. Procedure for Imposition of Penalties/Revocation

Penalties, including notice of violation, shall be imposed, and STR Permits shall be revoked only in the manner provided in this Section and Section 5.38 of the Municipal Code.

The Community Development Director shall conduct an investigation whenever he or she has reason to believe that a Property Owner (or Agent as applicable) has committed a violation described in Section 5.38.090(a) of the Municipal Code. Should the investigation reveal substantial evidence to support a finding that a violation occurred, the Community Development Director shall issue written notice of intention to impose a penalty and/or revoke the STR Permit.

The written notice shall be served on the Property Owner, and the Agent if applicable, and shall specify the facts which, in the opinion of the Community Development Director, constitute substantial evidence to establish grounds for imposition of the penalties and/or revocation, and specify that the penalties will be imposed and/or the STR Permit will be revoked within thirty (30) days from the date the notice is given unless the Property Owner, or Agent if applicable, files with the City Clerk before the penalties or revocation becomes effective, a request for hearing before the City Manager.

STATE OF CALIFORNIA — NATURAL RESOURCES AGENCY

#### CALIFORNIA COASTAL COMMISSION

SOUTH COAST DISTRICT OFFICE 301 E. OCEAN BLVD., SUITE 300 LONG BEACH, CA 90802 (562) 590-5071 SOUTHCOAST@COASTAL.CA.GOV



#### **APPEAL FORM**

Appeal of Local Government Coastal Development Permit

#### Filing Information (STAFF ONLY)

District Office: South Coast

Appeal Number: A-5-DPT-22-0038

Date Filed: 7/27/2022

Appellant Name(s): Miriam Rupke, Deanna Slocum, Jason Colaco

#### **APPELLANTS**

**IMPORTANT.** Before you complete and submit this appeal form to appeal a coastal development permit (CDP) decision of a local government with a certified local coastal program (LCP) to the California Coastal Commission, please review the appeal information sheet. The appeal information sheet describes who is eligible to appeal what types of local government CDP decisions, the proper grounds for appeal, and the procedures for submitting such appeals to the Commission. Appellants are responsible for submitting appeals that conform to the Commission law, including regulations. Appeals that do not conform may not be accepted. If you have any questions about any aspect of the appeal process, please contact staff in the Commission district office with jurisdiction over the area in question (see the Commission's contact page at https://coastal.ca.gov/contact/#/).

**Note regarding emailed appeals.** Please note that emailed appeals are accepted ONLY at the general email address for the Coastal Commission district office with jurisdiction over the local government in question. For the South Coast district office, the email address is <a href="mailto:SouthCoast@coastal.ca.gov">SouthCoast@coastal.ca.gov</a>. An appeal emailed to some other email address, including a different district's general email address or a staff email address, will be rejected. It is the appellant's responsibility to use the correct email address, and appellants are encouraged to contact Commission staff with any questions. For more information, see the Commission's <a href="mailto:coastal.ca.gov/contact/#/">coastal.ca.gov/contact/#/</a>).

1. Appella	nt infor	mation1
Name:		Miriam Rupke
Mailing address:		34556 Via Espinoza, Unit A, Capistrano Beach, CA 92624
Phone num	ber:	949-678-9699
Email address:		miriam@sandandsurfvacation.com
How did you	u participa	ate in the local CDP application and decision-making process?
Did not pa	articipate	Submitted comment Testified at hearing Other
Describe:	We are a	a local group of short-term rental owners in Dana Point. For the past
	six years	s we have been attending city council meetings, and city stakeholde
	meetings	s to help come up with a reasonable CDP that allows for public
	access t	o the coast.
Describe:		
why you she	ould be a and hear	you exhausted all LCP CDP appeal processes or otherwise identify llowed to appeal (e.g., if the local government did not follow proper ring procedures, or it charges a fee for local appellate CDP
Describe:	The cou	ncil members made a last minute change to CDP22-0010 to limit
	it to the	areas inside the coastal zone only. This was not in line with the
	original p	proposed CDP drafted by the Planning Department, which covered
	all areas	both inside and outside the coastal zone. The council members
	passed t	this without receiving any input from the public.

<sup>1</sup> If there are multiple appellants, each appellant must provide their own contact and participation information. Please attach additional sheets as necessary.

California Coastal Commission A-5-DPT-22-0038 Exhibit 4 Page 2 of 59

2. Local C	DP decision being appealed	2		
Local government name:		City of Dana Point		
Local government approval body:  Local government CDP application number:		City of Dana Point CDP22-0010		
				Local gove
Date of local government CDP decision:		7/12/2022		
	ntify the location and description on the local government.	of the development that was approved or		
Describe:	The City of Dana Point proposed	d and passed CDP22-0010 to establish a		
	short term rental (STR) program	to regulate the permitting and operation for		
	STRs within the Dana Point Coa	stal Zone at the Dana Point City Council		
	Meeting on 7/12/2022. The proposed CDP limits public access to the coast			
	as it does not cover STRs outside the coastal zone. The number of permits			
	in the coastal zone equates to le	ess than 0.5% of available housing stock in		
	Dana Point (0.33% to be exact),	which is under serving the availability in		
	the coastal zone.			

<sup>&</sup>lt;sup>2</sup> Attach additional sheets as necessary to fully describe the local government CDP decision, including a description of the development that was the subject of the CDP application and decision.

<sup>&</sup>lt;sup>3</sup> Very few local CDP denials are appealable, and those that are also require submittal of an appeal fee. Please see the <u>appeal information sheet</u> for more information.

3. Applica	nt information	
Applica	ant name(s):	The City of Dana Point
Applicant Address:		The City of Dana Point withinCoastal Zone
4. Ground	s for this appeal₄	
approved deprovisions. It at the development of the	evelopment does not conform to For appeals of a CDP denial, grovelopment conforms to the LCP and it is in which the the LCP and Coastal Act provisions is saidle. Appellants are encourage topic area and by individual policing.	appeal are limited to allegations that the the LCP or to Coastal Act public access and to Coastal Act public access provisions. In the Coastal Act public access provisions. In development meets or doesn't meet, as ons, with citations to specific provisions as ed to be concise, and to arrange their cites.  Itled 'Section 4: Grounds for this Appeal'.

<sup>&</sup>lt;sup>4</sup> Attach additional sheets as necessary to fully describe the grounds for appeal.

#### 5. Identification of interested persons

On a separate page, please provide the names and contact information (i.e., mailing and email addresses) of all persons whom you know to be interested in the local CDP decision and/or the approved or denied development (e.g., other persons who participated in the local CDP application and decision making process, etc.), and check this box to acknowledge that you have done so.

#### 6. Appellant certifications

I attest that to the best of my knowledge, all information and facts in this appeal are correct and complete.

Miriam F	Rupke	
Signature		
Date of Signature	07/26/2022	

#### 7. Representative authorization6

While not required, you may identify others to represent you in the appeal process. If you do, they must have the power to bind you in all matters concerning the appeal. To do so, please complete the representative authorization form below and check this box to acknowledge that you have done so.

I have authorized a representative, and I have provided authorization for them on the representative authorization form attached.

<sup>&</sup>lt;sup>5</sup> If there are multiple appellants, each appellant must provide their own certification. Please attach additional sheets as necessary.

 $_{6}$  If there are multiple appellants, each appellant must provide their own representative authorization form to identify others who represent them. Please attach additional sheets as necessary.

#### CALIFORNIA COASTAL COMMISSION

455 MARKET STREET, SUITE 300 SAN FRANCISCO, CA 94105-2219 VOICE (415) 904-5200 FAX (415) 904-5400



#### DISCLOSURE OF REPRESENTATIVES

If you intend to have anyone communicate on your behalf to the California Coastal Commission, individual Commissioners, and/or Commission staff regarding your coastal development permit (CDP) application (including if your project has been appealed to the Commission from a local government decision) or your appeal, then you are required to identify the name and contact information for all such persons prior to any such communication occurring (see Public Resources Code, Section 30319). The law provides that failure to comply with this disclosure requirement prior to the time that a communication occurs is a misdemeanor that is punishable by a fine or imprisonment and may lead to denial of an application or rejection of an appeal.

To meet this important disclosure requirement, please list below all representatives who will communicate on your behalf or on the behalf of your business and submit the list to the appropriate Commission office. This list could include a wide variety of people such as attorneys, architects, biologists, engineers, etc. If you identify more than one such representative, please identify a lead representative for ease of coordination and communication. You must submit an updated list anytime your list of representatives changes. You must submit the disclosure list before any communication by your representative to the Commission or staff occurs.

_

## Additional Representatives (as necessary)

Name	
Title	
City	
State, Zip	
Email Address	
Daytime Phone	
Name	
Tiue	
Street Address.	
City	
State, Zip	
Email Address	
Daytime Phone	
Name	
City	
State. Zip	
Email Address	
Daytime Phone	
Name	
11tie	
Street Address.	
City	
State, Zip	
Liliali Addiess	
Daytime Phone	
Your Signature	
Date of Signature	
Date of Signature	<del></del>

Section 4: Grounds for this Appeal

**Local Application Number** 

CDP22-0010

**5-DPT-22-0583** - City of Dana Point Approved With Conditions

The Clty's Proposed STR Program within CDP22-0010 ("Project") does not confirm to the City's Local Coastal Program (LCP) and to Coastal Act public access provisions (sections 30210-30214) for the following reasons:

- The project is NOT in conformity with the public access and public recreation policies of Chapter Three of the Coastal Act (Coastal Act/30333, 30604(c); 14 Cal. Code of Regulations/13096) in that, the establishment of the STR Program in only one zone within the city decreases public access in the Coastal Overlay District in the City by reducing additional opportunities for overnight accommodations for visitors.
- 2. The project is NOT in conformity with the City's LCP. Dana Point's General Plan, Policy 3.3, identifies as a priority that "lower cost visitor and recreational facilities shall be protected, encouraged, and, where feasible, provided." By creating an STR program for the Coastal Zone only, the City has failed to legislate for almost half of the current STRs in Dana Point and any future STRs outside the coastal zone.

The City of Dana Point proposed and passed CDP22-0010 to establish a short term rental (STR) program to regulate the permitting and operation for STRs within the Dana Point Coastal Zone at the Dana Point City Council Meeting on 7/12/2022. We hereby appeal CDP22-0010 on the grounds that the CDP, as written, limits public access to the coast because:

1. It limits the availability of affordable housing options for visitors because it does not cover the STRs outside the coastal zone.

There are 129 permitted STRs in Dana Point today and 92% are non-owner occupied (119 of the 129). Of that 129, 63 are not within the coastal zone and therefore not covered by CDP22-0010. At the Dana Point City Council Meeting on July 12, 2022 meeting where this CDP was proposed and approved, there was a suggestion made by Councilmember Villar that by limiting STRs to within the coastal zone only that the city could possibly eliminate STRs outside the coastal zone. Despite the City Attorney warning that this could raise a red flag with the CCC as to the City's intent outside the coastal zone, Councilmember Villar further suggested that by bifurcating the regulations, the City could be in a position where they wouldn't have to state what 'may or may not' happen outside the coastal zone. Both comments are on the recording of the meeting, which can

be found on the City's Youtube channel through this link: <a href="https://youtu.be/kRFcmoOuChA">https://youtu.be/kRFcmoOuChA</a>, at times 4:33:09 and 4:35:47.

 It limits the availability of affordable housing options for visitors because it only refers to homes in the coastal zone which are largely governed by Homeowners Associations (HOAs).

Of the 129 permitted STRs in Dana Point, 66 exist within the coastal zone. While the CDP establishes a program for STRs in the coastal zone, the majority of homes in the coastal zone in Dana Point are governed by HOAs. There are 82 HOAs in Dana Point and most do not permit STRs. The residential areas inside the coastal zone not covered by HOAs are comprised of homes with a starting price of \$3M. Because this CDP only covers coastal zone locations, the Dana Point City Council has eliminated moderate homes from being used as STRs which then depletes affordable visitor accommodations. For example, eliminating a one bedroom unit from short term rental stock outside the coastal zone would restrict 140 visitors per year to the coast of Dana Point.

3. Dana Point's proposed CDP is much more restrictive and not in line with recently submitted and approved CDPs of neighboring cities.

Coastal access has been a central issue in the California Commission's rulings on short-term rentals. The commission has treated vacation rentals as an important way to offer affordable access to these areas. This message has been consistent in the commission's rulings:

In Long Beach, for example, the commission recently approved the city's short-term rental rules — with four suggested changes designed to ensure accessibility, including:

- Allowing up to 350 un-hosted short-term rentals in the coastal zone, even if the citywide cap of 800 is reached
- Limiting the ability of multifamily building owners to prohibit short-term rentals
- Requiring "a commitment to non-discriminatory services and ADAaccessibility information in the registration process"
- Monitoring and reporting any impacts that vacation rental regulations have on public access, along with efforts to mitigate those impacts

4. The Coastal Commission's stance on accessibility has been backed up by California courts. Dana Point cannot adopt an ordinance prohibiting Short Term Rentals without first getting Coastal Commission buy in.

In Santa Barbara, the commission supported vacation rental property manager Theo Kracke in his lawsuit challenging the city's 2015 short-term rental rules, saying that its near ban violated the California Coastal Act. In 2019, a superior court judge ruled that Santa Barbara must allow vacation rentals in the coastal zone, and that decision was upheld by an appeals court in 2021.

In Manhattan Beach, the city attempted to ban short-term rentals, moving forward with the ban without Coastal Commission approval, stating that short-term rentals had never been legally allowed, and so the law did not represent a change. In a case brought by a Manhattan Beach short-term rental owner, a judge disagreed, ruling the city cannot enforce its ban on short-term rentals in residential areas of the coastal zone unless it amends its LCP, requiring approval by the commission.

5. Because the CDP does not include properties outside the coastal zone, the permits outside the Coastal Zone should not be included in the STR cap.

Like other neighboring cities, 1% of the city's total housing stock should be the total cap within the Coastal zone. If the City wants to include homes outside the coastal zone in the cap, then City's short term rental ordinance should not be bifurcated and the entire city's STR should be submitted as part of the CDP.

San Diego's ordinance was recently certified by the California Coastal Commission. In their ordinance, whole-home rentals will be capped at 1% of the city's more than 540,000 housing units. Dana Point has more than 32,000 housing units, and so, accordingly, the cap should be at least 320 within the Coastal Zone. Currently the cap is less than 0.5% of the total housing stock.

## Additional Appellants Appeal of CDP22-0010

The following individuals are also part of this appeal. Please consider this their sign-on to the main appeal.

Deanna Slocum

Signature: Deanna Slocum

Deanna Slocum (Jul 26, 2022 14:00 PDT)

Tel: 949-295-2828

Email: djslocum@gmail.com

Mailing Address: 25221 La Cresta, Dana Point, CA 92629

Jason Colaco

Signature: Jason Colaco (Jul 26, 2022 14:06 PDT)

Tel: 310-200-1814

Email: thecolacos@mac.com

Mailing Address: 23831 Ionian Bay, Dana Point, CA 92629

# CDP22-0010 Appeal

Final Audit Report 2022-07-26

Created: 2022-07-26

By: Miriam Rupke (miriam@sandandsurfvacation.com)

Status: Signed

Transaction ID: CBJCHBCAABAAEMZhQL8NMWQhWy3NxwIUIWRpS5mt7PRB

## "CDP22-0010 Appeal" History

Document created by Miriam Rupke (miriam@sandandsurfvacation.com) 2022-07-26 - 7:05:05 PM GMT

Document emailed to djslocum@gmail.com for signature 2022-07-26 - 7:26:04 PM GMT

Email viewed by djslocum@gmail.com

Signer djslocum@gmail.com entered name at signing as Deanna Slocum 2022-07-26 - 9:00:36 PM GMT

Document e-signed by Deanna Slocum (djslocum@gmail.com)
Signature Date: 2022-07-26 - 9:00:37 PM GMT - Time Source: server

Document emailed to thecolacos@mac.com for signature 2022-07-26 - 9:00:39 PM GMT

Email viewed by thecolacos@mac.com 2022-07-26 - 9:03:37 PM GMT

Signer thecolacos@mac.com entered name at signing as Jason Colaco 2022-07-26 - 9:06:01 PM GMT

Document e-signed by Jason Colaco (thecolacos@mac.com)
Signature Date: 2022-07-26 - 9:06:03 PM GMT - Time Source: server

Agreement completed.
 2022-07-26 - 9:06:03 PM GMT

#### CALIFORNIA COASTAL COMMISSION

SOUTH COAST DISTRICT OFFICE 301 E. OCEAN BLVD., SUITE 300 LONG BEACH, CA 90802 (562) 590-5071 SOUTHCOAST@COASTAL.CA.GOV



#### APPEAL FORM

Appeal of Local Government Coastal Development Permit

#### Filing Information (STAFF ONLY)

District Office: South Coast

Appeal Number: <u>A-5-DPT-</u>22-0038

Date Filed: July 27, 2022

Appellant Name(s): Mark Zanides, Kim Tarantino, Bridget McConaughy (UNITE HERE Local 11)

#### **APPELLANTS**

**IMPORTANT.** Before you complete and submit this appeal form to appeal a coastal development permit (CDP) decision of a local government with a certified local coastal program (LCP) to the California Coastal Commission, please review the appeal information sheet. The appeal information sheet describes who is eligible to appeal what types of local government CDP decisions, the proper grounds for appeal, and the procedures for submitting such appeals to the Commission. Appellants are responsible for submitting appeals that conform to the Commission law, including regulations. Appeals that do not conform may not be accepted. If you have any questions about any aspect of the appeal process, please contact staff in the Commission district office with jurisdiction over the area in question (see the Commission's contact page at https://coastal.ca.gov/contact/#/).

**Note regarding emailed appeals.** Please note that emailed appeals are accepted ONLY at the general email address for the Coastal Commission district office with jurisdiction over the local government in question. For the South Coast district office, the email address is <a href="SouthCoast@coastal.ca.gov">SouthCoast@coastal.ca.gov</a>. An appeal emailed to some other email address, including a different district's general email address or a staff email address, will be rejected. It is the appellant's responsibility to use the correct email address, and appellants are encouraged to contact Commission staff with any questions. For more information, see the Commission's <a href="contact-page">contact page</a> at <a href="https://coastal.ca.gov/contact/#/).

# Appeal of local CDP decision Page 2a

1. Appellant infor	mation <sub>1</sub>					
Name:	Mark Zanides					
Mailing address:	34145 Pacific Coast Hwy, 216, Dana Point, Ca. 92629					
Phone number:	(415) 624-4475					
Email address:	mzanides@gmail.com					
Did not participate  Describe: Appellant City Cour pendency subcomm	pate in the local CDP application and decision-making process?  Submitted comment Testified at hearing Other  t Zanides and Appellant Tarantino timely filed joint appeal of the CDP to the ncil, met with City Council STR Subcommittee members during the y of the appeal, and submitted written comments and proposals to the nittee. Both Appellants also submitted written opposition to City Council, appeared before the City Council.					
please identify why	pate in the local CDP application and decision-making process, you should be allowed to appeal anyway (e.g., if you did not you were not properly noticed).					
Describe:						
why you should be a	you exhausted all LCP CDP appeal processes or otherwise identify allowed to appeal (e.g., if the local government did not follow proper uring procedures, or it charges a fee for local appellate CDP					

Describe: Appellant Zanides and Appellant Tarantino jointly appealed the CDP approval to the City Council, which affirmed in part and denied in part the appeal. There are no more appeal processes available in the City of Dana Point.

<sup>1</sup> If there are multiple appellants, each appellant must provide their own contact and participation information. Please attach additional sheets as necessary.

processes).

# Appeal of local CDP decision Page 2 b

1. Appellant info	rmation₁				
Name:	Kim Tarantino				
Mailing address:	34145 Pacific Coast Hwy, 216, Dana Point, Ca. 92629				
Phone number:	(415) 624-4475				
Email address:	kim.a.tarantino@gmail.com				
Did not participate  Describe: Appellan City Cour pendence subcomn	coate in the local CDP application and decision-making process?  By Submitted comment Testified at hearing Other  To Examine and Appellant Tarantino timely filed joint appeal of the CDP to the coll, met with City Council STR Subcommittee members during the comments and proposals to the contitue. Both Appellants also submitted written opposition to City Council, appeared before the City Council.				
please identify why	pate in the local CDP application and decision-making process, you should be allowed to appeal anyway (e.g., if you did not you were not properly noticed).				
Describe:					
	you exhausted all LCP CDP appeal processes or otherwise identify				
	allowed to appeal (e.g., if the local government did not follow proper aring procedures, or it charges a fee for local appellate CDP				

processes).

Describe: Appellant Zanides and Appellant Tarantino jointly appealed the CDP approval to the

City Council, which affirmed in part and denied in part the appeal. There are no more appeal processes available in the City of Dana Point.

<sup>&</sup>lt;sup>1</sup> If there are multiple appellants, each appellant must provide their own contact and participation information. Please attach additional sheets as necessary.

# Appeal of local CDP decision Page 2c

1. Appell	ant information1
Name:	Bridget McConaughy on behalf of UNITE HERE Local 11
Mailing ad	dress: 464 Lucas Ave # 201, Los Angeles, CA 90017
Phone nur	mber: (513) 288-0064
Email addı	ress: bmcconaughy@unitehere11.org
How did yo	ou participate in the local CDP application and decision-making process?
Did not	participate Submitted comment Testified at hearing Other
Describe:	Appellant UNITE HERE Local 11 appeared at and spoke against the CDP during the City Council appeal hearing.
please ide	not participate in the local CDP application and decision-making process, ntify why you should be allowed to appeal anyway (e.g., if you did not because you were not properly noticed).
Describe:	
why you sl	entify how you exhausted all LCP CDP appeal processes or otherwise identify hould be allowed to appeal (e.g., if the local government did not follow proper e and hearing procedures, or it charges a fee for local appellate CDP).
Describe:	Appellant UNITE HERE Local 11 appeared at and spoke against the CDP during the City Council appeal hearing. There are no more appeal processes available in the City of Dana Point.

<sup>&</sup>lt;sup>1</sup> If there are multiple appellants, each appellant must provide their own contact and participation information. Please attach additional sheets as necessary.

## **Appeal of local CDP decision** Page 3

#### 2. Local CDP decision being appealed2

Local government name:	City of Dana Point		
Local government approval body:	City Council of Dana Point		
Local government CDP application number:	Coastal Development Permit 22-0010		
Local government CDP decision:	CDP approval CDP denial3		
Date of local government CDP decision:	July 12, 2022		
Please identify the location and description of denied by the local government.	of the development that was approved or		
Describe: The development is a short-term rental (STR) program to regulate the permitting and			

operation of STRs within the Dana Point Coastal Zone. The STR program was the result of a motion to amend a Planning Commission recommendation for a CDP establishing this STR Program. Appellants submit that this CDP was adopted in violation of Dana Point's LCP and in violation of the Coastal Act. The STR Program affects the City of Dana Point Coastal Overly District (the Cal. Coastal Zone).

City of Dana Point

Submitted herewith are a brief and documentation entitled Clerk's Record, which fully describes the City Council's decision and a description of the development.

<sup>2</sup> Attach additional sheets as necessary to fully describe the local government CDP decision, including a description of the development that was the subject of the CDP application and decision.

<sup>3</sup> Very few local CDP denials are appealable, and those that are also require submittal of an appeal fee. Please see the appeal information sheet for more information.

## Appeal of local CDP decision Page 4

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Applicant name(s):	City of Dana Point	
	3282 Golden Lantern, Dana Point, CA 92629	
Applicant Address:		

#### 4. Grounds for this appeal4

For appeals of a CDP approval, grounds for appeal are limited to allegations that the approved development does not conform to the LCP or to Coastal Act public access provisions. For appeals of a CDP denial, grounds for appeal are limited to allegations that the development conforms to the LCP and to Coastal Act public access provisions. Please clearly identify the ways in which the development meets or doesn't meet, as applicable, the LCP and Coastal Act provisions, with citations to specific provisions as much as possible. Appellants are encouraged to be concise, and to arrange their appeals by topic area and by individual policies.

Describe: The grounds for this Appeal are that the CDP does not conform to the LCP and that it is inconsistent with the Coastal Act. Our grounds are set forth in detail in the Appellants' Brief and supporting documents filed herewith.

<sup>4</sup> Attach additional sheets as necessary to fully describe the grounds for appeal.

## Appeal of local CDP decision Page 5 a

### 5. Identification of interested persons

On a separate page, please provide the names and contact information (i.e., mailing and email addresses) of all persons whom you know to be interested in the local CDP decision and/or the approved or denied development (e.g., other persons who participated in the local CDP application and decision making process, etc.), and check this box to acknowledge that you have done so.  Interested persons identified and provided on a separate attached sheet				
6. Appellant certification <sub>5</sub>				
I attest that to the best of my knowledge, all information and facts in this appeal are correct and complete.				
Print name Mark Zanides				
Mark Zanides Signature				
Date of Signature				
7. Representative authorization <sub>6</sub>				
While not required, you may identify others to represent you in the appeal process. If you do, they must have the power to bind you in all matters concerning the appeal. To do so, please complete the representative authorization form below and check this box to acknowledge that you have done so.				
I have authorized a representative, and I have provided authorization for them on the representative authorization form attached.				

<sup>&</sup>lt;sup>5</sup> If there are multiple appellants, each appellant must provide their own certification. Please attach additional sheets as necessary.

<sup>6</sup> If there are multiple appellants, each appellant must provide their own representative authorization form to identify others who represent them. Please attach additional sheets as necessary.

# Appeal of local CDP decision Page 5b

### 5. Identification of interested persons

On a separate page, please provide the names and contact information (i.e., mailing and email addresses) of all persons whom you know to be interested in the local CDP decision and/or the approved or denied development (e.g., other persons who participated in the local CDP application and decision making process, etc.), and check this box to acknowledge that you have done so.  Interested persons identified and provided on a separate attached sheet
6. Appellant certification₅
I attest that to the best of my knowledge, all information and facts in this appeal are correct and complete.
Print name_Kim Tarantino
Kim Tarantino
Signature
Date of Signature July 27, 2022
7. Representative authorization
While not required, you may identify others to represent you in the appeal process. If you do, they must have the power to bind you in all matters concerning the appeal. To do so, please complete the representative authorization form below and check this box to acknowledge that you have done so.
I have authorized a representative, and I have provided authorization for them on the representative authorization form attached.

<sup>&</sup>lt;sup>5</sup> If there are multiple appellants, each appellant must provide their own certification. Please attach additional sheets as necessary.

<sup>6</sup> If there are multiple appellants, each appellant must provide their own representative authorization form to identify others who represent them. Please attach additional sheets as necessary.

# Appeal of local CDP decision Page 5°

### 5. Identification of interested persons

On a separate page, please provide the names and contact information (i.e., mailing and email addresses) of all persons whom you know to be interested in the local CDP decision and/or the approved or denied development (e.g., other persons who participated in the local CDP application and decision making process, etc.), and check this box to acknowledge that you have done so.  Interested persons identified and provided on a separate attached sheet
6. Appellant certification₅
I attest that to the best of my knowledge, all information and facts in this appeal are correct and complete.
Print name Bridget McConaughy, on behalf of UNITE HERE Local 11
Bridget McConaughy
Signature
Date of Signature
7. Representative authorization <sub>6</sub>
While not required, you may identify others to represent you in the appeal process. If you do, they must have the power to bind you in all matters concerning the appeal. To do so, please complete the representative authorization form below and check this box to acknowledge that you have done so.
I have authorized a representative, and I have provided authorization for them on the representative authorization form attached.

<sup>&</sup>lt;sup>5</sup> If there are multiple appellants, each appellant must provide their own certification. Please attach additional sheets as necessary.

 $_{6}$  If there are multiple appellants, each appellant must provide their own representative authorization form to identify others who represent them. Please attach additional sheets as necessary.

## CCC Appeal of Dana Point Short-Term Rental CDP

### **Interested Parties**

Barbara Wilson 24361 Timothy Drive Dana Point, CA 92629 Barbarawilsonrealty@gmail.com 949-584-0662

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Stevedidier1@gmail.com

Carol Wilson 34912 Calle Fortuna Capistrano Beach, CA 92624 <a href="mailto:cwilsoncapo@outlook.com">cwilsoncapo@outlook.com</a>

949-412-3755

Betty Hill 34771 Doheny Place Capistrano Beach, CA 92624 bettyhill@savedanapoint.com 949-922-9966

Lester Hill 34771 Doheny Place Capistrano Beach, CA 92624 Buckhill10@gmail.com 949-922-9240

Alan Bell 35161 Camino Capistrano Capistrano Beach, CA 92624 allbellesq@gmail.com 949-533-0763

Marla Freeman 24872 SeaCrest Dr. Dana Point, CA 92629 marlafreeman55@gmail.com

Note: With a little more time, this list would have been hundreds, if not thousands of Dana Point residents.

KIM TARANTINO 34831 Doheny Pl. Dana Point, CA 92624 <u>Kim.a.tarantino@gmail.com</u> 714-504-1114

MARK N. ZANIDES 33851 Valencia Place Dana Point, CA 92629 Tel. 415-624-4475 Fax 888-422-8816 mzanides@gmail.com

BRIDGET MCCONAUGHY ON BEHALF OF UNITE HERE LOCAL 11 464 Lucas Ave., #201 Los Angeles, CA 90017

Appellants

#### **BEFORE THE**

#### **CALIFORNIA COASTAL COMMISSION**

In the Matter of	)
Cites of Days Bairs	) ON ADDEAU EDOM THE CITY COUNCIL
City of Dana Point	) ON APPEAL FROM THE CITY COUNCIL
Resolution No. 22-07-12-01	) OF DANA POINT AFFIRMING IN PART
	) AND DENYING IN PART APPEAL
and	) FROM CDP 22-1101
	)
Dana Point Coastal Development Permit	)
22-1101	)
	)
	, )
	)
	)
	)
	)
	)

## GROUNDS FOR APPEAL BRIEF OF APPELLANTS

#### STATEMENT OF JURISDICTION

On May 9, 2022, the Dana Point Planning Commission adopted a Resolution approving Coastal Development Permit CDP22-0010 (CDP), thereby effectively amending and expanding the Short Term Rental Program (STR Program) throughout the City of Dana Point. CR 33 et. seq. <sup>1</sup> Appellants opposed this Resolution. CR 72.

On May 23, 2022, pursuant to Section 9.61.110 (a) and (b) of the Dana Point Municipal Code, residents (including Appellants Tarantino and Zanides) timely filed an appeal (Appeal) of the action taken on May 9, 2022 by the Planning Commission. CR 80.

On July 12, 2022, by Resolution No. 22-07-121-1 the Dana Point City Council (Council) granted the Appeal in part and denied it in part by upholding the Planning Commission's approval of the CDP and amending the program approved by the Planning Commission. CR 1. On July 13, 2022, Dana Point filed its COASTAL DEVELOPMENT PERMIT APPLICATION NOTICE OF FINAL ACTION with this Commission. See Exhibit A hereto.

The Council's amendments were material: they confined the new STR program to the Coastal Zone instead of the entire City, and established new parameters for the STR program in the Coastal Zone which had not previously been discussed in its staff reports or otherwise. *Id.* Substantive changes were introduced after public comments. The public was not informed of these changes in advance. Neither the Appellants nor the public were invited to comment on these substantive changes. In fact, public interested parties did not receive a copy of the revised and approved program until the following day.

This Resolution and CDP 22-1101 relate to matters "within the [Dana Point] Coastal Zone" and are therefore appealable under Chapter 9.75.010 of the Dana Point Zoning Code and California Public Resources Code Sections 30600 et. seq.

#### **STANDING**

Appellants Tarantino and Zanides are residents of Dana Point. Appellant Tarantino lives

The facts set forth herein are l

<sup>&</sup>lt;sup>1</sup> The facts set forth herein are based in part on the documents submitted to the City in connection with the case. Those documents have been compiled in a separate volume entitled Clerk's Record (CR) and paginated for ease of reference. A <u>video</u> of the hearing before the City Council on July 12, 2022, at which it ruled on the Appeal from the Planning Commission and amended the STR program was submitted by Dana Point to the Coastal Commission on July 13, 2022. Finally, we have prepared some additional documents which address specifically housing and other issues relative to STRs located solely within the Coastal Zone and which arose during the July 13, 2022 hearing. (Appellants' Supplementary Record (ASR).

within the Coastal Zone. Both are aggrieved parties under the Coastal Act

Appellant UNITE HERE Local 11 (Local 11) represents more than 25,000 workers employed in hotels, restaurants, airports, sports arenas, and convention centers throughout Southern California and Phoenix—including numerous <u>members who live or</u> work in Dana Point. The union has a First Amendment right to petition public officials in connection with matters of public concern, including compliance with applicable zoning rules and Coastal Act compliance, just as developers, other community organizations, and individual residents do. Protecting its members' interest in the environment, including advocating for the environmental sustainability of development projects and ensuring the availability of housing and hotels (in compliance with state and local rules), is part of Local 11's core function. Recognizing unions' interest and union members' interest in these issues, California courts have consistently upheld unions' standing to litigate land use and environmental claims. (See Bakersfield Citizens v. Bakersfield (2004) 124 Cal.App.4th 1184, 1198.) Furthermore, Local 11 has public interest standing as an aggrieved party to challenge the Project Approvals given the City's public duty to comply with applicable zoning and laws, which Local 11 seeks to enforce. (See e.g., Rialto Citizens for Responsible Growth v. City of Rialto (2012) 208 Cal. App. 4th 899, 914-916, n6; La Mirada Avenue Neighborhood Assn. of Hollywood v. City of Los Angeles (2018) 22 Cal. App. 5th 1149, 1158-1159; Weiss v. City of Los Angeles (2016) 2 Cal.App.5th 194, 205-206; Save the Plastic Bag Coalition v. City of Manhattan Beach (2011) 52 Cal.4th 155, 166, 169–170.) Local 11 is an aggrieved party under the Costal Act.

Each Appellant has participated in the CDP process by submitting comments, opposing the Planning Commission action, and Appellants Tarantino and Zanides filed an appeal to the Council. Appellant Local 11 participated in several Council and Planning Commission meetings and the underlying Appeal.

#### **QUESTIONS PRESENTED**

- 1. Whether Dana Point's CDP conforms to its Local Coastal Program (LCP) where the LCP, Housing Element and the City's Municipal Code (which are read in harmony) have always barred STRs within residential neighborhoods; the City has heretofore always interpreted its Code to bar STRs in residential neighborhoods, and no zone text amendment or LCP amendment has been submitted to or approved by the Commission?
- 2. Whether the amended STR program is consistent with the Coastal Act where it is unnecessary in view of the extraordinary coastal access already available in Dana Point and where it will inevitably result in a significant loss of affordable coastal access and housing in the City, and a negative effect on residential neighborhoods?

#### **SUMMARY OF ARGUMENT**

1. The adoption of a CDP is inconsistent with Dana Point's LCP, which bars STRs in residential neighborhoods. For over fifteen years, and until now, the City had always interpreted its Municipal Codes (incorporated into the Local Coastal Plan) to prohibit STRs in residential neighborhoods. The City abruptly now claims that STRs have always been permitted in residential neighborhoods, and that therefore a CDP may legally authorize an STR program. In support of this claim, the City now improperly contends 1) that certain legal cases "support the presumption" that STRs are already legally authorized as part of the residential uses permitted by the existing zoning and the City's local coastal program. (CR 33) and (2) that "...the Coastal Commission determined

(which determination was confirmed by court decisions...) that STR uses are the same as any other residential use already permitted by the City's zoning and LCP, and they are therefore a permitted use in the City's Residential and Mixed–Use zones." CR 4. Emphasis supplied.

Each statement is incorrect. Dana Point's codes do not permit STRs in residential zones and no court has so ruled. Nor does any court ruling support such a "presumption." Until now Dana Point has consistently and correctly interpreted its zoning codes to bar STRs in residential districts. Moreover, the cited cases do not establish that the Coastal Commission has "determined... that STR uses are the same as any other residential use permitted by the City's zoning and LCP." Rather, the LCP and Land Use Plan (LUP), which include the General Plan, zoning ordinances, zoning map and other implementing actions, bars STRs in residential neighborhoods. The proper way to regulate STRs in Dana Point is by zone text amendment and an amendment to the LCP.

- 2. City of Dana Point Resolution No. 22-07-12-01 and Dana Point Coastal Development Permit 22-1101 are inconsistent with the Coastal Act, specifically, among others, Public Resources Code Section 30604(g), in that the proposed STR program is both 1) unnecessary in view of the extraordinary coastal access already available in Dana Point and 2) harmful because it will likely result in a significant loss of affordable housing, access and a negative effect on residential neighborhoods in the City. It cannot and must not be approved as it is currently written.
- 3. The STR Program authorizes the City of Dana Point to modify STR regulations without the preparation of an amended LCP and CCC approval of a such LCP changes, and cannot be approved as it is currently written.
- 4. The issues raised in this appeal are significant.

#### STATEMENT OF FACTS

#### A. STRs Historically in Dana Point<sup>2</sup>

#### 1. Early Efforts to Address STR Issues

In 1986, the County of Orange obtained a LCP for areas along the California coast including the area now known as Dana Point. Subsequent to the City of Dana Point being incorporated in 1989, the LCP was recast to align with the boundaries of the new City and certified by the Coastal Commission in 1991.<sup>3</sup> Since that time, the City of Dana Point is the legal Coastal Development Permitting body. This means that should anyone want to develop anything that exceeds the parameters of the 1986 LCP, he/she must ask the City of Dana Point to make an application to the California Coastal Commission for an amendment to the LCP. This document is called a Local Coastal Program Amendment

<sup>&</sup>lt;sup>2</sup> These facts are largely based on information conveyed by former City Councilman Paul N. Wyatt, a longtime resident, who was directly involved in the STR process from December 2006 through November 2020.

<sup>&</sup>lt;sup>3</sup> Dana Point also adopted its own Zoning Code, which, in pertinent part, superseded chapters 7-9 of the Orange County zoning code. See, Ch.9.01.080(a).

(LCPA).

Short term rentals have historically been a part of Dana Point. As early as 2007, the residents of Niguel Beach Terrace felt that AirBnB and similar platforms had increased the number of short-term rentals to the point that its neighborhood was being overrun. On January 30, 2007, City Council Meeting Agenda Item 2 – Short Term Rental - initiated the current, ongoing effort to enact a short-term rental ordinance. While acknowledging that short-term rentals had operated in Dana Point for years, the City Attorney stated that they were illegal. Staff was directed to determine how big the problem was and bring some options back to the Council.

Various efforts were made by the staff and the Council to address the STR issue prior to 2013.<sup>5</sup>

Finally, on <u>February 5, 2013</u>, the City Council reviewed a draft ordinance for short term rentals, considered best practices from other cities and directed staff to finalize an ordinance for introduction, incorporating comments provided at the meeting.

On March 5, 2013, the City Council held a public hearing on and first reading of an ordinance adding Section 5.38 Short Term Rentals to the Dana Point Municipal Code.

On <u>September 9, 2009</u>, the Planning Commission held a well-attended public workshop at the Community Center, solicited and received public comments, and conducted extensive discussion among members of the Planning Commission.

At its regular meeting on October 5, 2009, the Planning Commission continued its consideration of STRs, received additional public comments, and developed a set of recommendations for a permit process with required conditions of approval.

On April 13, 2012, the City Council received a status update on short term rentals which included the Planning Commission recommendations. At that meeting, the City Council requested that a resident survey be conducted, that homeowners associations be polled to determine if short term rentals are currently allowed in their neighborhoods, and that the inventory list be updated to determine the approximate number of properties currently marketed as short term rentals in the City.

On <u>September 18, 2012</u>, the City Council reviewed the resident survey and directed staff to return with one or two existing STR programs that provide sets of regulations and the cost/revenue to implement them in those cities.

On November 20, 2012, the City Council reviewed examples of STR programs, reviewed cost/revenue of regulations and directed staff to provide additional research on city programs and to develop a working draft of an ordinance for the Council to consider.

<sup>&</sup>lt;sup>4</sup> The City Attorney then, as now, was Patrick Munoz.

<sup>&</sup>lt;sup>5</sup> On July 27, 2009, the City Council discussed possible registration for short term rentals currently operating in Dana Point. At that <u>meeting</u>, the City Council requested that the Planning Commission consider the appropriateness of STRs in residential neighborhoods; incorporate City Council discussions from 2007 and 2009; compare information from other cities; and conduct a series of public meetings; all with the intent of making recommendations to the City Council.

The Council directed staff to take next steps to enact this ordinance.<sup>6</sup>

On <u>April 2, 2013</u>, the City Council held the second reading and adopted of ordinance 13-01 adding Section 5.38 to the Dana Point Municipal Code.

On January 21, 2014, the City Council Meeting held a second reading and adopted of zone text amendment ZTA 13-0001 to allow short-term rentals in residential zones. The Council directed staff to start to issue STR permits subject to the following warning: "However, in the event the Coastal Commission does not approve the Local Coastal Program Amendment associated with the proposed zone text amendment, short term uses in the Coastal Zone will remain illegal (and presumably action to preclude them will follow). Importantly, compliance with the operating regulations ordinance, including obtaining a short term rental permit, will not be deemed sufficient to allow a short term use to continue in the event the Coastal Commission denies the zone text amendment in Coastal Zone districts. Hence, any person desiring to operate a short term rental prior to all zoning changes becoming effective will be doing so at their own risk, knowing they are violating current City regulations which may not be changed if the Coastal Commission does not grant its approval." Dana Point's short term rental permit form contains the following statement: "Notice: Short term rentals are permitted according to Dana Point business regulations but are not currently allowed by zoning regulations. Short term rental permits issued are subject to Zoning Code changes and approval by the California Coastal Commission, which are currently being sought by the City. You are taking a risk since the zoning currently does not allow short term rentals and may not be approved by the California Coastal Commission."

On <u>April 14, 2014</u> City Council Meeting included a Letter to Niguel Beach Terrace Property Owners extending the deadline for compliance with the STR ordinance to August 2014 pending an amendment to the community's CC&Rs.

On May 5, 2016, the City Council held the first reading of zone text amendment ZTA 13-0001, Specific Plan Amendment SPA 13-0001 and ZTA 13-0002 with Coastal Commission suggested modifications, permitting short-term rentals in residential zones.

On <u>September 6, 2016</u>, the City Council conducted the second reading of zone text amendment ZTA 13-0001, Specific Plan Amendment SPA 13-0001 and ZTA 13-0002, with Coastal Commission modifications, permitting unlimited two-day minimum short-term rentals in residential zones. Following the second reading and approval of this zone text amendment, a revised Local Coast Program Amendment was sent to the Coastal Commission for approval.

<sup>&</sup>lt;sup>6</sup> These steps included: "1. Adoption of operating regulations ordinance by City Council. 2. Amendment of Municipal Code Section 3.25.070 for reporting or remitting transient

occupancy tax payments to allow quarterly payments for short term rentals. 3. Fee resolution to adopt a short term rental permit fee. 4. Zone Text Amendment ordinance to change zoning to permit short term rentals in zones as designated by Council (requires Planning Commission and Council action). 5. Local Coastal Program Amendment approval through California Coastal Commission (applies to any Zone Text Amendment to allow short term use in the Coastal Zone–NOTE this will not apply to zoning districts where use is permitted that are not in the Coastal Zone)."

Citizen reaction to the ordinance permitting unlimited short-term rentals in residential zones was swift. In three weeks over 4,000 signatures were collected supporting a referendum opposing the ordinance. Accordingly, on <a href="November 15">November 15</a>, 2016, the City Council accepted the verified referendum against the short term rental ordinance and <a href="rescinded">rescinded</a> ordinances 16-06 and 16-07 and the Local Coastal Program Amendment. The Council decided to allow existing permitted STRs to continue to operate, but ceased issuing new permits. The CCC took no action after the referendum was filed and the ordinances and LCPA were rescinded.

Between and throughout 2013 and 2016, during preparation of the City's zone text amendment and amendment to the LCP, the City issued STR permits conditioned on the acceptance by the CCC of the amendment to the LCP. Notwithstanding their illegality, the City reported that an additional several hundred unregistered STRs had come into existence. CR 23.

During this entire process, the City always took the position that STRs were not a permitted use in residential zones in the City. *Id*.

#### 2. Post Referendum STR History Seeks To Avoid CCC Oversight

Between November 2016 and July 12, 2022, the City Council took no official action to amend, modify or codify its zoning code to permit STRs. During that period of time it did take some preliminary steps to address the STR issue. For example, in the process of rejecting and modifying a proposed plan coordinated by a Council Sub-Committee with CCC staff to enact a home stay program in Dana Point, the Council, on July 21, 2020 struck a paragraph in the staff report that stated "At the end of the three year trial period, if the Pilot Program is proven to be successful, the City would process a Local Coastal Program Amendment and Zoning Text Amendment to formally adopt the regulations." Various Council comments at the meeting included a statement that the CCC was "trying to force our hand," that "Council wants control" of its STR program, that "an outside agency can't take over," that the regulations "don't have to be in an LCP," and even suggesting that the CCC was extending the Pilot Program review to 3 years, when Councilman Muller would no longer be in office. In creating a new subcommittee, the Council took pains to remove any reference to an LCP or Coastal Commission involvement in its STR program. At 3:43:25 in the meeting video, the Council struck the paragraph requiring an LCP, although the discussion indicated they still thought Council (and not the Planning Commission) would have the final word. This did not happen.

The Council formed a subcommittee to review the issue, adopted policy objectives, took surveys, and formed a second subcommittee. CR 24. Discussions with the CCC staff resulted in some modifications to the City's draft proposals.

Between November 2016 and the present the City did not rescind the STR licenses it had granted, but did not issue any new licenses. CR 23. It continued to collect Transient Occupancy Tax (TOT). The City reports that at present there are 129 conditionally issued licenses still in effect. Citizens report as many as 250 more illegally operating STRs, and have strongly criticized the City for its lax enforcement of STR regulations.

## B. The Planning Commission Adopts Its STR Resolution, An Appeal is Filed, The City Council Materially Changes the Proposed STR Program

#### 1. Planning Commission's STR Program

Ultimately, the City Council directed that the Planning Commission take responsibility for developing a new STR program. CR 23.

On April 1, 2022, the [Planning Commission's] Short-term Rental Subcommittee received comments from the CCC staff on a draft short-term rental ordinance. CR 150.

In May, 2022, the Planning Commission produced a proposed Resolution 22-05-08-xx. (CR 33) which was attached to a City staff Agenda Report for the Planning Commission meeting of May 9, 2022. CR 22 et. seq.

For the first time, the City staff, including a deputy City Attorney, stated: "[r]ather than continuing to take the position that STRs are not permitted as part of approved residential uses (which would be subject to legal challenge), staff is recommending that the Planning Commission recognize the trend in reported cases is to find STRs are permitted as part of any residential use. "CR 25.

In substance, the proposed STR program applied both to districts within and outside of the Coastal Zone. It provided a cap of 185 STRs in a category it called "non primary" [unhosted] STRs, which it stated was "based upon, and consistent with the historic demand for STR permits when no limitation existed" CR 28. Significantly, the Planning Commission proposal would have authorized a new category of STRs called "home stay" STRs, defined to include one authorized STR per multi family dwelling so long as the owner of the building resided in the dwelling. CR 39.

Residents including Appellants opposed this proposal at the Planning Commission. CR 72.

On May 9, 2022, the Planning Commission adopted its proposed Resolution. On May 23, 2022, Tarantino and Zanides timely filed the Appeal to the Dana Point City Council and set forth our objections. CR 80. It was contended, *inter alia*, that a CDP was the improper way to proceed (because the zoning prohibited STRs and it needed to be changed via a Local Coastal Program Amendment) and that the Planning Commission had neglected to consider the impact of the proposed program on seriously scarce housing stock and coastal access. *Id.* In particular, the "home stay" provision would have permitted one STR per multifamily dwelling in Dana Point, which could have included as many as one thousand new STRs. In addition, the Appeal outlined myriad issues with the program which would seriously impact the quality of life in residential neighborhoods. *Id.* 

#### 2. The City Council Refers the Matter to a Subcommittee

The City Council set the Appeal for hearing on June 21, 2022. Prior to that hearing the City staff filed an Agenda Report responding to some of the points raised in the Appeal. CR 91. It recommended denying the Appeal and upholding the Planning Commission Approval of Coastal Development Permit CDP22-0010 for the same reasons it had supported the Planning Commission's proposal. *Id*.

The staff asserted that the Coastal Commission staff's April 1, 2022 letter "indicates their desire to increase the number of STRs in the community by suggesting that Accessory Dwelling Units be utilized as STRs (which conflicts with State law) and requesting justification for the Non Primary STR cap." See, CR 98 referring to CCC staff letter at CR 150, 153, 154. That CCC staff letter states, in pertinent part: "Second, Commission staff would recommend that the City further develop details around the 185 cap for non-primary STR permits. Commission staff understands that the City is currently undergoing

a housing crisis and therefore wants to ensure that current housing stock is not depleted by STRs." *Id.* at 154.

The City staff never responded to this inquiry. The City staff did, however, acknowledge in its Agenda Report that "[t]he City Council could consider a Home Stay cap for the 5,376 multi-family properties in the City." CR 100.

Appellants Tarantino and Zanides filed a reply to the City staff's report. CR 168. The reply contended that the proposal to proceed via CDP was unnecessary and unwise, and that it would devastate housing stock in the City. *Id*.

At that hearing on June 21, 2022 the City Council, through its mayor, announced to a packed Council chamber that the plan had some [unspecified] "legal problems" and that the Council would not act on the Appeal until July 12, 2022. The Council appointed Council members Villar and Frost to constitute a subcommittee to review further the proposed STR regulations.

#### 3. The Subcommittee Meets With Resident Appellants

Appellants Tarantino and Zanides and other concerned community members met [separately at each Council member's request] with Council members Villar and Frost. As reported in the July 10, 2022 letter to the Council, there were direct and frank discussions. CR 223.

After those discussions, residents made concrete proposals for a new STR program to the subcommittee. See, CR 209, 219. As those proposals reflect, residents did not take the position that STRs should be totally banned in residential neighborhoods. Rather, the proposal was to agree to grandfather the current 129 unhosted STRs permitted, with a reduction in STRs to correspond to new STR permits issued in mixed-use zoning districts. It was further proposed that a limited number of STR permits could be issued to owners of multi-family dwellings so long as the owner was present during STR occupancy. It was argued that such permits needed to be very limited in order to minimize effects on extremely scarce housing stock. Finally, it was suggested that STRs be capped by district in order to minimize the effects of concentration in two of the City's districts with few HOAs (Capistrano Beach and Lantern District currently account for almost three quarters of Dana Point's STRs). No discussions with the staff or the City Attorney were invited or permitted.

#### 4. The Subcommittee Creates a New STR Program

On Thursday, July 7, 2022 at 5PM, Appellants and the public were given a copy of a new Agenda Report for the July 12, 2022, City Council meeting. CR 178. The Report recommended that the Council deny the Appeal in part and affirm it in part by upholding the Planning Commission's decision to adopt CDP22-0010 for the Short Term Rental Program and revising the STR program approved by the Planning Commission. CR179.

For the first time, the staff, including the City Attorney, improperly stated that "the City understands that it is the **Coastal Commission's position**, which has been confirmed by the Courts...that STRs are **already** legally authorized as residential uses, which are permitted by the City's existing zoning and Local Coastal Program in various zoning districts in the City..." CR185. Emphasis supplied.

Staff also stated: "Finding: That the project is in conformity with the certified Local Coastal Program (LCP)...in that, the STR program allows establishment of

regulations for STRs in the City. The Coastal Commission has determined (which determination was confirmed by court decisions including Kracke v City of Santa Barbara (2021) 63 Cal.App.5th 1089 and Keen v. City of Manhattan Beach (2022) 77 Cal.App.5th 142) that STR uses are the same as any other residential use already permitted in the City's zoning and LCP, and they are therefore a permitted use in the City's Residential and Mixed-Use zones." CR 187 (Emphasis in original).

The new STR program contained material amendments to the Planning Commission's original proposal.

- 1. It authorized 35 STRs of any type in the Capistrano Bay district (Beach Road, which consists of only 186 housing units).
- 2. It authorized 100 home stay and primary residence STRs counting Capistrano Bay home stays which would not reduce the cap of 35 above.
- 3. It authorized 60 multifamily home stays [owner stays in one unit, another unit is rented out as STR).
- 4. It authorized 90 unhosted STRs in addition to the 35 in Capistrano Bay and all of the other districts.

The staff asserted that if all available permits were issued, there would be a total of 185 STR permits in addition to an additional 100 home stay and primary residence STRs. CR 182.

In addition, the subcommittee proposed a complicated formula whereby if multi family home stay STRs did not materialize, the number of unhosted STRs would be permitted to rise by 10 units every six months to fill the 60 allotted to multi family home stays. CR 182.

5. At the Hearing on the Appeal of the Planning Commission CDP the City Council Adopts a Completely New STR Program Without Prior Notice and Without Affording Time for Review or Public Comment

On July 12, 2022, the City Council convened its hearing on the Appeal, and undertook consideration of the new STR proposal. Public comments were heard including from Appellants.

Thereafter, the Council members discussed the issue. Council member Viczorek moved to amend the Resolution and CDP so that it applied for the first time solely to those areas within the Coastal Zone. His stated reason was that on principle he objected to the interference by the Coastal Commission in the City's local affairs, and while he recognized that the Coastal Act gave jurisdiction of the Coastal Zone to the Commission, he thought it appropriate to limit the Commission's ability to act on Dana Point's program by confining the scope of the CDP to those areas within the Coastal Zone.

That motion was seconded by Mayor Muller.

There ensued a discussion on the dais about what a program should look like the Coastal Zone. During its discussion, the City Council asked City Attorney Patrick Munoz in open session how many STRs he thought would be appropriate in the Coastal Zone. Mr. Munoz stated that the number 115 STRs for the Coastal Zone "felt" about right, but that he could not predict how the Commission would respond.

At that time, since the Viczorek motion to amend was unexpected, there was no staff report outlining the number or composition of dwelling units in the Coastal Zone, the number of hotel and other commercially available lodgings in the Coastal Zone, or what the impact of any new STR program would be on housing stock, coastal access, or any of the other factors normally considered. Since this proposal was radically different than the Planning Commission's proposal, there had been no prior consultation with the Commission staff about this new program. See, CCC Staff's April 1, 2022 letter. CR 150.

After some discussion, the City Attorney stated he thought he understood what the consensus on the Council was and wanted time to draft new language. A lengthy break was taken, and thereafter the City Attorney drafted some language reflecting his view of what the Council had decided.

At no time was the language published to the public prior to a vote. At no time did the Council invite the public to comment on the program.

The City Council approved the CDP with the new STR program by a 3-2 vote late in the evening of July 12, 2022. Appellants did not see the language of it until the following day. CR2.

The new and different resolution contains the same language reciting that the Coastal Commission has taken the position that STRs are permitted residential uses in Dana Point. Further, it recited that STR use "is an already established residential use in the City (as determined by the CCC and related case law), and the City's adoption of the STR ordinance would not result in the intensification or expansion of that use, and rather would limit it." CR 3.

But the STR program it adopted did make significant changes with significant impacts:

- 1. It authorized 115 STR permits for "Non-primary" [i.e. unhosted] STRs in the Coastal Zone. It grandfathered in the existing and permitted non primary STRs of which there are currently 61 in the Coastal Zone.
- 2. It authorized unlimited STR permits for multi-family homestay, homestay or primary residence STRs (up to 60 days per year of short term rentals for primary owners)
- 3. It authorized a maximum of 190 new mixed-use parcel permits for non primary STRs that are located in mixed use parcels.

This appeal follows.

#### ARGUMENT

- A. City of Dana Point Resolution No. 22-07-12-01 and Dana Point Coastal Development Permit 22-1101 Are Inconsistent with the Local Coastal Program.
  - 1. The subject resolution and CDP are inconsistent with the City's Local Coastal Program because they are inconsistent with the City's Housing Element, LUP and Municipal Code

As the Commission is aware, the Dana Point Local Coastal Program includes the City's (a) land use plans, (b) zoning ordinances, (c) zoning district maps, and (d) within sensitive coastal resources areas, other implementing actions, which, when taken together, meet the requirements of, and implement the provisions and policies of, this division at the local level. Public Resources Code Section 30108.6.

"Land use plan" means the relevant portions of a local government's general plan, or local coastal element which are sufficiently detailed to indicate the kinds, location, and intensity of land uses, the applicable resource protection and development policies and, where necessary, a listing of implementing actions. Public Resources Code Section 30108.5.

After a local government prepares its local coastal program, the Commission reviews it. If satisfied that it conforms to the policies and standards of the Act, the Commission certifies it. Public Resources Code §§ 30512, subd. (c), 30513; [citations].)" See also *Hines v. Coastal Commission*, (2010) 186 Cal. App 4<sup>th</sup> 8310, 841 (internal citations omitted).

Dana Point's General Plan includes a Housing Element. It states:

The Housing Element has been designed to address key housing issues in the City. These issues include the provision of a mix and balance of housing types and costs to meet the needs of all segments of the community while enhancing and preserving the community's character, provision of affordable housing for special needs groups, promotion of fair housing for all residents, and the maintenance of the existing affordable housing stock.

First and foremost, the City seeks to expand housing access for low- and moderate-income households in the area.

City of Dana Point General Plan 2021-2029, Housing Element, Revised Adopted July 2022 at H-2. (hereafter Housing Element).

The Housing Element contains a lengthy analysis of the housing issues facing Dana Point and the region. It states that "The City's existing needs include 2,930 renter households that are cost burdened. Housing Element at 177. Specifically, the Housing Element's goal in Program Category #2 is to "Assist in the Development of Affordable Housing."

The Housing Element specifies a number of policies designed to meet that goal.<sup>7</sup>

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<sup>&</sup>lt;sup>7</sup> 2.1 Support innovative public, private, and nonprofit efforts in the development and financing of affordable housing, particularly for lower income households, the elderly, large families, the physically impaired, and single parent households.

<sup>2.2</sup> Support the participation of federal, state, or local programs aimed at providing housing opportunities for lower and moderate income households.

<sup>2.3</sup> Require that housing constructed for lower and moderate income households is not concentrated in any single portion of the City.

<sup>2.4</sup> Implement requirements for providing affordable housing for employees of hotel and resort developments.

<sup>2.5</sup> Provide for mixed commercial/residential land uses to create additional housing opportunities.

<sup>2.6</sup> Spend in-lieu fees collected from contributing development to support

Nowhere are STRs discussed as a method meeting this or any other housing goal in the LCP.

The abrupt amendment of the Planning Commission's proposed citywide STR program to a Coastal Zone only STR plan was not supported by a staff report analyzing the import or effect of the amended program. Rather, the number of 115 STRs in the Coastal Zone was suggested by the City Attorney in response to a question from the Council. The City Attorney stated that the number 115 "feels right", and he thought the Coastal Commission would accept the number, but was not sure.

Thus seventeen years of effort by the City Council, staff, subcommittees, the Planning Commission, Coastal Commission staff and the public to analyze the impact of an STR program ended in an abrupt amendment and a number of STRs based on the "feeling" of the City Attorney. This is neither rational policy making nor a meaningful attempt to insure that the STR program is consistent with the LCP, LUP and Housing Element goal of increasing affordable housing. The Council never even attempted to address this issue, since it was abruptly adopted as a result of a last minute motion to amend.

In fact, below we show in detail that not only did the city ignore its LCP, the STR program it adopted conflicts with it, as it will reduce affordable housing in Dana Point.

# 2. The CDP is inconsistent with the City's Local Coastal Program because it is inconsistent with the City's Zoning Code

As set forth above, the City has, until now, always taken the position that STRs are not permitted in residential neighborhoods. The City's Municipal Code, including its zoning codes, has not changed. The Municipal Code, taken as a whole, establishes that this position is unquestionably correct. Since the Zoning Code is part of the Local Coastal Program and LUP, actions taken which are inconsistent with the Zoning Code are inconsistent with the LCP and LUP. If inconsistent with the LCP, the City may not proceed with a CDP, but rather must, as it did in 2016, begin with a Zone Text amendment and amendment to the LCP. This did not occur here. A mere CDP as occurred in this case is insufficient.

#### a. STRs are barred in residential zones

Reading the Dana Point Code leads to the inescapable conclusion that not only are STRs not specifically permitted, they are prohibited. Under the Zoning Code, several classes of use are allowed in Residential Districts. Each of these classes must promote the **residential** character of the individual districts. (Dana Point Zoning Code Ch. 9.09.020), emphasis supplied.)

affordable housing opportunities in the Coastal Zone in accordance with the Mello Act. Focus the use of in-lieu fees on the rehabilitation of existing affordable housing, the conversion of non-residential or non-affordable housing to affordable housing, and/or the reduction of displacement risk through rental assistance.

Housing Element at H-177-178

<sup>&</sup>lt;sup>8</sup> The City Attorney has not changed either.

One of the few specifically permitted uses in Residential Districts is a "dwelling unit, single family (Ch. 9.09.020.) Dwelling unit is defined with emphasis added as:

a self-contained group of interconnected rooms designed, occupied or intended as separate living quarters, with sleeping and sanitary facilities and one cooking facility, provided within a permanent structure or portion thereof, for **residential** occupancy by a **single household**, not including hotels, motels or timeshares. Municipal Code Chapter 9.75.040D.

The Code thus permits only "residences" and "residential occupancy" by a "single household" in residential areas. It does not specifically permit STRs or any other kind of occupancy that could be deemed remotely similar to STRs.

Under permissive zoning, any use not permitted is barred.<sup>9</sup>

There appears to be no stand-alone definition of "residence" in the Codes. However, the commonly accepted definition of "residence" is:

- 1. The place in which one lives; a dwelling.
- 2. The act or a period of residing in a place.
- 3. A medical residency.

The American Heritage® Dictionary of the English Language, 5th Edition.

Similarly Webster's Dictionary defines "residence" as follows:

- **1a:** the act or fact of dwelling in a place for some time
- **1b:** the act or fact of living or regularly staying at or in some place for the discharge of a duty or he enjoyment of a benefit
- **2a(1):** the place where one actually lives as distinguished from one's domicile or a place of temporary sojourn.

"Residence." *Merriam-Webster.com Dictionary*, Merriam-Webster, <a href="https://www.merriam-webster.com/dictionary/residence">https://www.merriam-webster.com/dictionary/residence</a>. Accessed 20 May.2022.

The meaning of "single household" is obvious. Single means one. It does not mean many. As the court in *Protect Our Neighborhoods v. City of Palm Springs* (2022) 73 Cal.

No person shall use any premises except as specifically permitted by and subject to the regulations and conditions of this Code. ....

<sup>&</sup>lt;sup>9</sup> Chapter 9.01.090 Effect of Code:.

App. 5th 667, observed "admittedly a short-term rental is **not** used as a 'single family dwelling'; neither the owner nor the renter is living there." *Id.* (Emphasis supplied)

Not only does the plain language of "residential" mean dwellings where people reside permanently, the City Codes contain a series of provisions defining and regulating nonresidential transient occupancy accommodations.

For example, Dana Point Municipal Code Chapter 9.75 provides the following definitions, with emphasis added.

**Guest Room** — any room which is used or designed to provide **transient** occupancy and sleeping accommodations for one or more guests. Guest rooms occur in hotels, motels, time-shares, bed and breakfast, private clubs, lodges, fraternal organizations, and other transient occupancy uses... Ch. 9.75-070.

"Hotel has two definitions within the Codes.

- 1) "**Hotel**" shall mean a structure or group of structures containing six (6) or more guest rooms or suites offering **transient** lodging lobby and an interior hallway(s). Such a facility may include incidental services that customarily are provided by a hotel such as food service, recreational facilities, retail services provided for the convenience of hotel guests and banquet, reception, and meeting facilities." Ch. 9.75.270.
- 2) The City's tax code defines "Hotel" as "any structure, or any portion of any structure, which is occupied or intended or designed for occupancy by transients for dwelling, lodging, or sleeping purposes, and includes, but is not limited to, any hotel, inn, tourist home or house, motel, studio hotel, bachelor hotel, lodging house, rooming house, apartment house, dormitory, public or private club, mobile home or house trailer at a fixed location, or other similar structure or portion thereof, duplex, triplex, single-family dwelling units except any private dwelling house or other individually-owned single-family dwelling rented only infrequently and incidental to normal occupancy or any timeshare as set out in California. (Emphasis supplied) Section 3.25.020 of the Municipal Code.

Since the City collects transient occupancy tax (TOT) on its registered STRs, it plainly regards STRs as hotels, and correctly so: Chapter 9.01.070(c) provides, "When provisions of various adopted Codes are different, the more restrictive provisions shall apply, except as may be superseded by resolution or ordinance." In this case, the more restrictive provision is the one which defines hotel to restrict rentals without taxation, and therefore permits collection of TOT. STRs are, therefore, *de facto* hotels under Dana Point's Codes.

What is a transient?

"Transient" means any person who occupies or is entitled to occupy by reason of concession, permit, right of access, license or other agreement for a period of thirty (30) consecutive calendar days or less, counting portions of calendar days as full days. Any such person so occupying space in a hotel is a transient until the period of thirty (30) days has expired unless there is an agreement in writing between the operator and the occupant providing for a longer period of occupancy. In determining whether a person is a transient, an uninterrupted period of time extending both prior and subsequent to the effective date of this Chapter may be considered." Dana Point Municipal Code Chapter 3.25.020 Definitions. (Emphasis Supplied.)

If that definition of "transient" were not clear enough to show STRs are hotels, the City has created a Commercial Zone category called Visitor-Recreation Commercial, or V/RC. Ch. 9.03.010. This designation includes "primarily visitor serving uses, such as ... resorts hotels and motels uses, commercial, recreation specialty ...". Dana Point, General Plan, Land Use Element, June 27, 1995 at p. 35.

All of the foregoing make it clear that STRs do not fall within the definition of "residential", but rather they fall squarely within the definition of "hotel" and other accommodations for short term visitors and transients. So, are accommodations for transients permitted in residential areas in Dana Point under the LCP, LUP and Municipal Code? No, they are not. See Zoning Code Section 9.09.020 et. seq.

# b. No case law holds or supports a "presumption" that Dana Point's Municipal Codes Permit STRs in its residential zones.

In an effort to justify its use of a CDP and not the required Zone Text Amendment, the City now improperly claims that STRs have <u>always</u> been permitted in residential neighborhoods because certain legal cases "support the presumption" that STRs are already legally authorized as part of the residential uses permitted by the existing zoning and the City's local coastal program. CR 33.

First, there has not been a court case which interprets Dana Point's Municipal Code.

It is, of course, clear that the CCC and the courts have held that changes to STR regulations which affect coastal access constitute a "development" within the Coastal Act, and thus require CCC approval, be it through a CDP, LCP amendment or amendment waiver. See, *Kracke v. Santa Barbara*, (2021) 63 Cal.App.5th1089, December 6, 2016 Letter of Coastal Commission CR 147. The City knew and recognized this in connection with its drafting and ultimate passage of its 2016 STR ordinance [later overturned by referendum]. In 2014 the City had added Municipal Code section 5.38 - Short-term Rentals to its municipal code without approval of the CCC. The City Council then approved a Zone Text Amendment (ZTA) to allow STRs in residential zones, and sent an LCPA to the CCC that would have approved the ZTA. The CCC, among other things, replied that section 5.38 had to be part of the LCPA since it restricted the number of STRs that could be permitted.

But the City now cites *Kracke v. City of Santa Barbara* (2021) for a new and different proposition, namely that that *Kracke* "**could be** interpreted to mean that until STR regulations are approved pursuant to the Coastal Act, any residential property in the Coastal Zone could, by right, operate an STR since residential uses are permitted by the City's LCP." CR 95. Emphasis supplied.

*Kracke* did not so hold. *Kracke* held that for purposes of the Coastal Act, any change in the access to the coast was a development which required Coastal Commission approval. 63 Cal.App.5th at 1093. *Kracke* did not address, because it did not need to, whether the access for STRs previously granted by the City of Santa Barbara was permitted under its own zoning codes.

The City next claims *Keen v. City of Manhattan Beach* (2022) 77 Cal.App.5th 142, compels the conclusion that STRs are permitted in residential districts defined by Dana Point's codes. It does not. This is so for the simple reason that *Keen* was interpreting Manhattan Beach's codes, not Dana Point's codes. There, in interpreting the term "residential", the court found that Manhattan Beach's codes never distinguished between short term (i.e. transient) rental and long term property rental. 77 Cal.App.5the at 148. Since there was no differentiation in the Manhattan Beach code, short term rental and longer term rental were treated the same, i.e. the owner was free to rent short or long term.

*Keen* is inapplicable to Dana Point. As discussed above, Dana Point's Code requires the **residential** use of neighborhoods zoned residential to be for a "single family dwelling." "Residence" and "residential" mean dwellings where people reside permanently, i.e., the place where individuals actually live. In *Protect our Neighborhoods v. City of Palm Springs* (2022) 73 Cal.App.5th 667, the Court observed that "admittedly a short-term rental is **not** used as a 'single family dwelling; neither the owner nor the renter is living there." *Id.* (Emphasis supplied)

In Dana Point, unlike *Keen*, the Code does differentiate between short term and long term rentals. STRs, by Dana Point's own definition, provide "transient" accommodation, and STRs are not otherwise specifically permitted. STRs are hotels under the Dana Point Code, and are thus barred in the absence of rezoning and amendment of the LCP. The rezoning and LCPA have never occurred.

## c. The Coastal Commission has not determined that STR uses are permitted by Dana Point's Codes

After Appellants and others made the foregoing arguments in the Appeal of the Planning Commission adoption of CDP 22-0010, the City added a new and different argument to support its claim that a CDP was an appropriate way to proceed. It now claims that "...the Coastal Commission determined (which determination was confirmed by court decisions...) that STR uses are the same as any other residential use already permitted by the City's zoning and LCP, and they are therefore a permitted use in the City's Residential and Mixed – Use zones." CR 4. Emphasis supplied.

Nowhere does the City cite to where the Coastal Commission allegedly "determined that STR uses ...are therefore a permitted use in the City's Residential zones." The court decisions cited do not "confirm" any such Coastal Commission determination. This Commission certainly knows best whether it has made any such determination, but we are aware of none. In all correspondence by and between the Commission and the City of which we are aware the Commission has been agnostic on the subject. See, CCC letter of December 6, 2016 CR 147); CCC staff letter of April 1, 2022 (CR 150). Emphasis supplied.

d. Even if STRs are Permitted in Residential Neighborhoods, a Zone Text Amendment and LCP Amendment are Still Required.

The City has claimed that it must act to enact STR regulations because it could face lawsuits which would claim that the legal cases it cites would support the claim that residential STRs are permitted City wide. See, CR 96, and CR 25 ("the City will face arguments that STRs may operate at any existing residential Property, in the Coastal Zone, without regulation.")

Even if the City is correct, and we don't agree that it is, nonetheless a Zone Text Amendment and LCP Amendment are required to regulate STRs. This is so because if STRs may operate at any existing residential property in the Coastal Zone without regulation, necessarily the proposed STR program imposes **limits** on such STRs. The City admits this. It states that STR use "is an already established residential use in the City (as determined by the CCC and related case law), and the City's adoption of the STR ordinance would not result in the intensification or expansion of that use, and rather would limit it." CR 3.

As we have seen, changes to STR regulations which affect [including by limiting] coastal access constitute a "development" within the Coastal Act, and thus require CCC approval, be it through a CDP, LCP amendment or amendment waiver. See, *Kracke v. Santa Barbara*, (2021) 63 Cal.App.5th 1089). But, as here, by the logic of the City's argument, the LCP is silent on the issue of STRs, there is no legal framework upon which to base a CDP.

As the City Attorney stated at the July 12 hearing, the reason he recommended the CDP approach is because it is more "flexible". It is more "flexible" because it does not require a hearing before this Commission. Further, a CDP can be modified without a Commission hearing unless appealed and the appeal is upheld. That is why the City likes it.

In essence, the City is attempting to reduce the authority of this Commission by misinterpreting the case law and incorrectly asserting that this Commission has interpreted Dana Point's zoning code to permit this circumvention by CDP. <sup>10</sup> This should not be permitted. <sup>11</sup> Appellants assert that the CDP must be overturned because

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We note as well that this CDP was passed on July 12, 2022 in possible violation of the notice and public hearing provisions of Chapter 9.69.060 of the Zoning Code. This CDP required a public hearing. While a hearing was noticed, the amendment to the proposed program made on the dais that night was so material that it markedly changed the impact of the STR plan. The major amendments were made on the fly at the hearing; no staff analysis of the new plan was made; no assessment of impact in residential areas was made; and no written text of the amendment was available for review and comment by the public at the hearing. This is yet another example of the cavalier manner in which process has been conducted. Violation of this provision of the Zoning Code itself would support a reversal of this CDP.

<sup>&</sup>lt;sup>11</sup> Regrettably, as this Commission is aware, Dana Point has a history of trying to avoid the Commission's discharge of its statutory responsibility under the Coastal Act. See, e.g. *City of Dana Point v. California Coastal Commission*, Case No. 37-2010-00099827 CU-WM-CTL,

there is no corresponding LCP or Zoning code amendment to ensure that it is consistent with the Local Coastal Program.

# e. This CDP Improperly Authorizes the City of Dana Point Community Development to Modify the STR Program Regulations Without CCC approval.

To make matters worse, the new STR Program provides at Section 10. (c) Conditions of Permit Issuance and Renewal provides that "The Community Development Director shall have the authority at any time to impose additional standard conditions, applicable to all STRs, as necessary to achieve the objectives of this STR Program." CR 44.

Section 11 (Short-term Rental Operator Regulations) provides that: "These regulations may be updated periodically for clarification of situations that may develop based on the implementation of the STR regulations within the City." CR 45

The STR Programs authorizes the City of Dana Point to update the conditions of issuing and renewing STR permits and to update operator regulations to modify the STR Program in ways that could change the intensity of development within the coastal zone without the approval of the CCC. This CDP improperly bypasses CCC authority over the coastal zone and therefore should be rejected. A LCPA is required.

# B. City of Dana Point Resolution No. 22-07-12-01 and Dana Point Coastal Development Permit 22-1101 Are Inconsistent With the Coastal Act.

Preliminarily, Appellants agree with and support the Coastal Act objective of providing ample coastal access. We support the Commission's advocacy for a comprehensive program that promotes low cost of access to the coast and protects affordable housing in the Coastal Zone. We further agree that STRs should be included in the portfolio of tools needed to achieve the CCC objectives, and we have proposed alternative programs to the City that could help the CCC achieve its objectives and be satisfactory to the residents of and visitors to Dana Point. See, CR 209, 219.

Yet what has occurred here violates the access and affordability policies of the Act. The Dana Point STR CDP therefore is also appealed on the ground that it fails to conform with the public access policies set forth in the Coastal Act. Cal. Pub. Res. Code § 30603(b)(1). The Coastal Act's Public Access policies are intended to ensure that public access to the coastal zone takes into account various environmental sustainability factors as well as the well-being of surrounding communities and property owners. Cal. Pub. Res. Code § 30214. The CDP approved by the City of Dana Point fails to take into account said public access policies and should be overturned on these grounds.

Statement of Decision denying Dana Point's Request for Writ of Mandate (finding that "the evidence in this case clearly shows that the City's enactment of the Nuisance Abatement Ordinance was pretextural (sic) and designed to avoid the requirements of the Coastal Act and the City's Local Coastal Program. Plaintiff's evidence and arguments were specious." *Id* at 8.) The Court also found that the City's counsel admitted that the City was "fed up" with the California Coastal Commission and took advantage of a provision where they did not have to work with the CCC. *Id*. at footnote 1.

It is the policy of the Coastal Act to encourage "maximum access" to coastal areas. Cal. Pub. Res. Code § 30210. That access must 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." The CDP's scheme for STRs in the Dana Point Coastal Zone is inconsistent with this policy. Of particular concern, are that the CDP allows for unlimited unhosted and unsupervised vacation rental STRs. Such STRs pose a threat to public safety as they have been the site of numerous violent occurrences. Indeed, Airbnb itself has acknowledged the safety threat that such "party houses" pose to surrounding communities. The danger of violence posed by unsupervised vacation rentals is only one of the ways "party houses" impinge upon the rights of nearby property owners. They often give rise to general nuisance disturbances including noise, drug use, parking hoarding, increased garbage and litter among others. The City of Dana Point CDP fails to consider the impact of their STR Program on the safety and property rights of surrounding communities and property owners and so should be overturned.

The Coastal Act Public Access policies also require all new coastal zone developments to include public access from the nearest public roadway to the shoreline. Cal. Pub. Res. Code § 30212. The City of Dana Point contends that the regulation of STRs constitutes a development for purposes of the Coastal Act. Accordingly, Dana Point is obligated to ensure that all properties licensed for STR use include access from the nearest roadway to the shoreline. No aspect of the subject CDP includes oversight or enforcement of this requirement. The Dana Point CDP is therefore inconsistent with the Coastal Act's Public Access policy requirements and should be overturned.

The Coastal Act also requires, whenever feasible, for public facilities to be "distributed throughout an area so as to mitigate against the impacts, social and otherwise, of overcrowding or overuse by the public of any single area." Cal. Pub. Res. Code § 30212.5. Again, the Dana Point STR Program CDP is to the contrary. <sup>14</sup> The subject CDP makes no effort to ensure STR licenses or operations are distributed evenly in the coastal zone. The subject CDP makes no effort to take into account the geographic distribution of STR licensing or operations or issues of overcrowding or overuse.

In this case, ensuring even distribution of STRs to avoid overcrowding in certain areas is feasible and necessary. As described below, STR operations in Dana Point are not evenly distributed and tend to concentrate in particularly popular areas. As a result, threats to public safety and nuisance also tend to concentrate in these areas and disproportionately impact only certain communities. Unfortunately, the communities that bear the negative brunt of such costs tend to be less affluent and less white. This tendency is exactly contrary to the Coastal Act's Public Access policy and the CDP must be overturned on this basis as well.

<sup>&</sup>lt;sup>12</sup> https://www.nbcbayarea.com/news/local/numbers-shed-light-on-violence-at-short-term-rentals-report/2085506/ (accessed July 27, 2022)

https://www.mercurynews.com/2021/08/15/sunnyvale-airbnb-shooting-exposes-gaps-in-enforcing-house-party-bans-short-term-rental-rules/ (accessed July 27, 2022); https://www.cbsnews.com/sanfrancisco/news/airbnb-sues-booking-guest-unauthorized-sunnyvale-house-party-shooting/ (accessed July 27, 2022)

<sup>&</sup>lt;sup>14</sup> By authorizing STRs only in the Coastal Zone, the City effectively drives STR owners into the Coastal Zone.

1. Dana Point already appears to have more lodging units per capita than any other coastal California city; the Coastal Act requires affordable access, not unaffordable STRs in the Coastal Zone.

The staff recommended 185 STRs citywide. That recommendation was unsupported by any meaningful analysis. Rather, in response to the Commission staff asking Dana Point to justify the number, the City stated merely that it was "consistent with the historic demand for STR permits when no limitation existed" CR 28. Demand for STRs by largely non-resident real estate investors is hardly an appropriate metric by itself to establish an STR number. <sup>15</sup>

The abrupt amendment of the Planning Commission's proposed city wide STR program to a Coastal Zone only STR plan was not supported by a staff report analyzing the import or effect of the amended program. Rather, the number of 115 STRs in the Coastal Zone was suggested by the City Attorney in response to a question from the Council. The City Attorney stated that the number 115 "feels right", and he thought the Coastal Commission would accept the number, but wasn't sure.

Thus seventeen years of effort by the City Council, staff, subcommittees, the Planning Commission, Coastal Commission staff and the public ended in an abrupt amendment and a number based on the "feeling" of the City Attorney. This is neither substantial evidence nor rational policy making.

The Dana Point City staff's and City Attorney's contention that the California Coastal Commission requires a minimum of 185 STRs City-wide or 115 STRs in the Coastal Zone is unsupported, not consistent with the Coastal Plan's objective and should be rejected. <sup>16</sup>

Section 30213 of the Coastal Act states, "Low cost visitor and recreational facilities ... shall be protected, encouraged, and where feasible provided." The City of Dana Point supports this goal by providing visitor facilities that include hotels, bed & breakfasts, campgrounds, and hostels. In fact, Dana Point may currently provide more lodging units per capita than any other coastal city. Several hundred more units are entitled or planned.

In fact, Dana Point may well currently provide more <u>lodging units</u> (pages 11-12) per capita than any other coastal city. Several hundred more units are entitled or planned according to the City's <u>development pipeline</u>.

Table B.1.1 outlines current and planned Dana Point Lodging Units provided to accommodate coastal visitors. Hotel rates were derived from hotel websites, and by calls seeking rates for both seasons and examining amenities and group rates. <sup>17</sup> Lodging

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<sup>&</sup>lt;sup>15</sup> The City staff reports that approximately 64% of the 129 registered STRs are owned by out of town investors. Of course this does not address the unregistered, illegal STRs.

<sup>&</sup>lt;sup>16</sup> As noted above, to our knowledge, the California Coastal Commission staff never saw this proposal.

<sup>&</sup>lt;sup>17</sup> The hotel rates data was collected from the hotel websites on 7/21/2022 by Barbara Wilson.

units were derived from City of Dana Point <u>data</u> Pages 11/12. Planned projects were derived from City of Dana Point <u>pipeline</u> data describing pending hotel development.

Table B.1.1, Lodging Units Provided<sup>18</sup>

Existing Visitor Lodging	Number of Lodging Units	1/15/2023 Median Rate	7/15/2022 Median Rate
Market Rate Hotels	1,557	\$350	\$439
Lower Cost Hotels	293	\$184	\$264
Cottages	24	\$41	\$41
Campgrounds	120	\$50-\$65	\$50-\$65
<b>Total Existing Lodging Units</b>	1,994		
Planned/Entitled Visitor Lodging	Number of Lodging Units		
Market Rate Hotels	505		
Lower Cost Hotels	98		
Hostel Beds	52		
Total Planned/Entitled Lodging Units	655		
Total Existing + Planned/Entitled Lodging Units	2,649		

Table B.1.2, Lodging Units Per Capita Comparison by Coastal City/County

City	Number of <b>Lodging Units</b>	Population	Lodging Units per 1,000 population
Dana Point - existing	1,994	33,000	60
Dana Point – existing plus planned/entitled	2,649	33,000	80
Laguna Beach	1,305	22,000	59
Santa Monica	4,265	91,000	47
Santa Barbara (County)	5,349	448,000	12

STRs are another form of lodging unit that can be added to the visitor facilities portfolio to provide access to the coast. While STRs are often promoted as more affordable than hotels, the evidence doesn't support this. The city staff reports that there are 61 permitted STRs currently in the Dana Point Coastal Zone. Of these, 31 on Beach Road have daily rates ranging from \$2,075 to \$850 per night, with the median being \$1,500 (ASR3.)

Table B.1.3 shows that the median daily rate of an STR is well above that of a lower cost hotel, and the median daily rate of a 2-bedroom STR is almost identical to that of 2 lower cost hotel rooms. The hotel rates shown are rack rate so the actual rates are very likely to be lower, making hotels a lower cost option than STRs which often add housekeeping fees and sometimes, TOT.

The STR rates in Table B.1.3. were collected by booking each of the STRs for the second week of June 2022, If that was not available, the 3<sup>rd</sup> week of July was used. The bookings were taken all the way to where all the additional fees and taxes were added and the credit card was accepted. <sup>19</sup> As noted on the spreadsheet, these weeks were chosen to derive summer rates while avoiding holiday weeks. All were booked on either Airbnb or Vrbo; most were checked on both.

Table B.1.3, Median Daily Rates, 7/15/2022

	Hotel Rack Rate	1 Bedroom STR	2 Bedrooms STR
Market Rate	\$439	\$359	\$513
Lower Cost	\$264	\$359	\$513

Dana Point requires all new hotels to offer 25 percent of available accommodations at a lower cost to help achieve the goal of the Coastal Act. The City has 655 new additional lodging units entitled or planned, including 150 lower cost units. (City lodging units data pages 11-12). Appellants believe that this program together with a different and more balanced STR program better aligns with the goal of lower cost access sought by the

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<sup>&</sup>lt;sup>19</sup> This data was collected from AirBnB and Vrbo on 7/20/2022 by Paul N. Wyatt.

CCC. The Dana Point City staff and City Attorney's contention that the CCC requires a minimum of 185 STRs City-wide, including 115 STRs in the Coastal Zone is unsupported and inconsistent with the Coastal Plan's objective and should be rejected.

2. Due to its potentially negative impacts on housing, the CDP conflicts with the Coastal Act, specifically Public Resources Code 30604(g), and cannot be approved as it is currently proposed.

Resources Code § 30604(g) states that "The Legislature finds and declares that it is important for the commission to encourage the protection of existing and the provision of new affordable housing opportunities for persons of low and moderate income in the Coastal Zone." While the proposed amendment prohibits the conversion of any unit that "is restricted by covenant or similar instrument for the purpose of providing affordable housing" into an STR, it does <u>not</u> protect units that are accessible to persons of low and moderate income regardless of a covenant. As the proposed CDP would allow potentially over 800 units of coastal zone housing to be converted to STRs, it does not protect existing affordable housing, and therefore conflicts with Section 30604(g) of the Coastal Act..

Dana Point has a housing shortage. The Dana Point Housing Element Report, published May, 2022 states that: "The 2015–2019 ACS reports the median gross rent of all rental units in the City at \$2,061. While rental prices have increased more slowly than sale prices, relatively few rental properties have been recently constructed in Dana Point. In 2019, the average apartment rent was \$1,663 for a one bedroom, \$2,088 for a two bedroom, and \$2,795 for a 3-bedroom condo or single-family home (ACS Table B25031). A comparison of market prices with the rental affordability limits presented in Table H-13 indicates that the rental market could easily serve the moderate and above moderate-income households, with some existing rental units priced low enough for some lower income households. Rental units require less land and can be built at higher densities than many ownership products. Additionally, rental units do not require the same level of amenities as is expected in ownership developments. The construction of additional rental units represents a key step in providing affordable housing opportunities for current and future moderate-income households." This report goes on to state that between 2000 and 2020, only 200 dwelling units were added, but that the Regional Housing Needs Assessment (RHNA) states that 530 additional housing units need to be added between 2022 and 2029; 231 for low-income households, 101 for moderateincome household, and 198 for above-moderate-income families.

The STR industry's business model - which relies on the conversion of residential units to de facto hotel rooms - has decreased the housing supply in many major U.S. metropolitan markets, and resulted in an increase in rents. A national study published by the National Bureau of Economic Research found that in low owner-occupancy cities (like many California coastal communities), each 1 % increase in AirBnB listings is associated with a .018% increase in rent. Currently the Dana Point Coastal Zone has 61 unhosted STRs and the CDP would increase the limit on unhosted STRs to 816 allowing 756 more residential dwelling units to be converted to de facto hotel rooms, a 1239% increase that would result in rent increases of 22.3%. National Bureau of Economic Research Study.

CDP22-0010 could result in 756 residential units being converted from primary residences to STRs, in addition to the 61 that have already been converted. The result of 816 residential units of housing being lost would devastate the already non-existent housing inventory in Dana Point and the resultant increase in rental rates would result in hundreds of affordable rental units being lost. This CDP is not compatible with the

Coastal Act and should be rejected.

There are currently 61 unhosted STRs in the Dana Point Coastal Zone. The new cap of 115 unhosted STRs in residential zones will result in an additional 54 residential units being converted to STRs almost immediately. The cap on unhosted STRs in the mixed-use zones is 190. There are currently no unhosted STRs in the mixed-use zone since these areas are just being redeveloped. The impact of this CDP is the potential loss of 190 residential units that will be converted to STRs as they are built. There are currently 4 mixed use projects in progress totaling 195 residential units. Basically, the City program would potentially allow 97% of badly needed mixed use housing units to become STRs.

Fifty Two percent (52%) of Dana Point is in the Coastal Zone and the exact number of residential units by type was not calculated by the City before passing this resolution, but the <u>zoning maps</u> allow a reasonable approximation. The 8,801 1-unit detached and 2,074 1 unit-attached are evenly split, resulting in 5,438 1-unit units. Only about 200 of the 2,676 2-4 units are in the Coastal Zone. Approximately 75% of the 5+ units, or about 1,780 units, are in the Coastal Zone.

While it can be argued that these potential losses are extreme, this is a program that will exist for many years. No matter that the stated intent of the Dana Point City Council when it revised the STR Program included in this CDP was to serve individual property owners, residents are concerned that this program will attract investors and displace individual property owners. Investors may be quick to snap up available permits which will be distributed on a first come first served basis. While the City program suggests that the caps will be reduced by home stays or multi unit STRs, the reality is that investors may obtain and hold the allowed permits for years, with no real reduction in caps.

The money to be made on STRs is very attractive to investors, and every loophole in this CDP could be exploited. Appellants are concerned that it will likely have an even greater impact on workforce housing in areas adjacent to the Coastal Zone where the most vulnerable minorities live, while protecting the more affluent (and largely non-Hispanic white) residents of the gated HOA communities.

The City program basically risks converting much needed residential housing to STR investments, impacting disadvantaged communities to the benefit of investors. This is contrary to the Coastal Act, its access and affordability policies and regulations.

The regulations provide neither buffers between STRs nor restrictions by street or development to protect the residential nature of communities. Areas like Beach Road, which already has 17% of its properties operating STRs, (per Donal Russell, Manager, Capistrano Bay District, there are 31 STRs on Beach Road. 31/186 homes = 16.7%) may see a significant increase as substantial 30 day rentals convert to STRs once new permits are offered. The lack of buffers places ordinary residents in the middle of multiple STRs, substantially changing the nature of formerly residential communities.

## C. Appellants' Arguments Raise Significant Questions As to Conformity With the Local Coastal Program and the Coastal Act

Appellants are mindful to raise significant questions as to conformity with the Local Coastal Program and Coastal Act. In making such a determination, the Commission has in previous appeals been guided by five factors:

- "1. The degree of factual and legal support for the local government's decision that the development is consistent or inconsistent with the certified [local coastal program] and with the public access policies of the Coastal Act;
- "2. The extent and scope of the development as approved or denied by the local government;
  "3. The significance of the coastal resources affected by the decision;
- "4. The precedential value of the local government's decision for future interpretations of its [local coastal program]; and
- "5. Whether the appeal raises only local issues, or those of regional or statewide significance."

See, *Hines*, supra, at 849.

This appeal does so.

- Appellants have adduced substantial evidence to establish that the City has, adopted a CDP which is inconsistent with its LCP, LUP, Housing Element, Municipal Code and the Coastal Act without a sound legal basis, reversed its longstanding interpretation of its zoning Code in order to proceed via a CDP, which it deems more flexible, i.e. less susceptible to California Coastal Commission control. This Appeal also shows that the City Council had no substantial basis in fact for making this decision: there was no staff report on this particular program; no analysis of the impact of the program on the Coastal Zone (or even a calculation of the number of housing units in the coastal zone), no analysis or justification for the number of STRs other than the City Attorney saying the number "felt right." Moreover, the program confers substantial discretion on the Director of Community Development to modify the program in such a way that would alter coastal access. In short, the City had no sound factual or legal basis for this program.
- The extent and scope of the development is not confined to one structure, but rather will affect over one half of the area of Dana Point.
- Dana Point's almost non-existent affordable housing stock is a particularly significant factor in this case because it will be eviscerated by this program, which is unnecessary in a City which already may provide more coastal access than any other city in California. This also directly conflicts with the CCC's access and affordability goals and policies.
- The precedential value of Dana Point's interpretation cannot be overstated: it seeks to reduce substantially the Coastal Commission's ability effectively to discharge its duties by avoiding the necessity of an LCPA and proceeding instead by CDP. It is reminiscent of its unsupportable nuisance ordinance, which was adopted so as to avoid working with the Coastal Commission. See footnote 11, *supra*.
- For the same reason set forth above, this issue raises regional and statewide 5) concerns, namely that the improper use of a CDP could permit local authorities to sidestep their requirement to work programmatically within their Local Coastal Programs.

#### CONCLUSION

Dana Point's CDP is a product of the City's thinly veiled attempt to avoid or minimize Coastal Commission involvement in its STR program. Based on a misreading of case law, and a false assertion that the CCC itself has taken the position that STRs have

always been approved in residential districts in Dana Point, the City adopted a CDP with very significant impacts that were not studied appropriately by the staff, much less understood by the Council. The fact that the Planning Department was not even able to provide data for the number of housing units of each type within the Coastal zone speaks volumes.

Moreover, the CDP itself purports to permit the Community Development Director to change the STR program, and thus effect a development in the Coastal Zone without a CDP, and without Coastal Commission approval.

As we have demonstrated, the CDP is inconsistent with the Local Coastal Program in that it has been adopted in violation of Dana Point's Code, Housing Element and LUP which are integral part of its LCP. The proper way to proceed is by zoning Code text amendment and amendment to the LCP.

As well, it is inconsistent with the Coastal Act in that Dana Point already provides extraordinary coastal access; the new contemplated STRs will not provide affordable coastal access; and the increased STRs will drastically reduce affordable housing in the City.

For all of the foregoing reasons, Appellants respectfully request that the Commission find substantial issue and grant this appeal.

Respectfully submitted,

Dated: July 27, 2022

MARK ZANIDES KIM TARANTINO BRIDGET MCCONAUGHY ON BEHALF OF UNITE HERE LOCAL 11

#### **Before the**

### **CALIFORNIA COASTAL COMMISSION**

In the Matter of	) Case No:
Dana Point Coastal Development Permit 22-0010	) APPELLANTS' SUPPLEMENTAL ) RECORD )
	)
	)
	, )

**APPELLANTS** 

KIM TARANTINO MARK ZANIDES UNITE HERE LOCAL 11

DANA POINT VISTOR AC	COMMACDATIONS			1	1	1	I		1	1	l	l	l	1	
DANA POINT VISTOR AC	COMINIODATIONS														P242C02 P2
															P2A36O2:P2
Lower Cost Visitor and Rec	reational Facilities														
					ce/accomodat			/Family price/			Amen	ities			
<u>Facility</u>	<u>Status</u>	<u>Type</u>	# of accomodations			July 15		January 15	July 15	<u>Fridge</u>	Microwave	Range	<u>Pets</u>	Pet Fee	Source
Doheny State Beach	available	Campground/beach/park		8	\$50 - \$65	\$50-\$65	40	\$350	\$350			L	Υ	no	parks.ca.gov
Dana Point Marina Inn	available	Lower Cost Hotel	136 rooms	2	\$219	\$223	4	\$219	\$250	У	У	Bkfst	У	\$20/night +\$50	
Best Western Marina Shores	available	Market Rate Hotel	87 rooms	2	\$138	\$287	4	\$138	\$287	Υ	У	Bkfst	Υ	\$20/night	bestwestern.com
Beach Front Inn and Suites	available	Market Rate Hotel	33 rooms	2	\$169	\$269	4	\$169	\$269	У	У	Bkfst Y			beachfrontinnatdanapoint.com
Capistrano Surfside Inn	available	Time Share	37 rooms	2	\$198	\$259	4	\$198	\$259	Υ	Υ	Y			capistranosurfsideinn.com
Crystal Cove cottages , Newport Beac Wave Hotel at the Strand	Under review	Lower Cost Hotel Market Rate Hotel	24 cottages		\$41	\$41	8	\$288	\$288	х	Х		no		<u>crystalcove.org</u>
Wave Hotel at the Strand	under construction	Hotel with hostel	57 rooms 52 hostel beds												
Seaside Inn	Renovations near completion		28 rooms												
Lantern Pointe Hotel	Under Appeal		13 rooms												
Lancerin i Onice riocei		25/0 10WC1 CO31 1001113	13 1001113												
TOTAL			120 camping spaces		\$58	\$58		\$350	\$350						
			24 cottages		\$41	\$41		\$288	\$288						
<b>Note:</b> cottages were mitigation for F	titz hotel so considered DP facil	litv	293 rooms		\$173	\$259		\$173	\$259						
	The state of the s		52 hostel beds		7-7-0	7.355		1	,			1	1	1	
			98 rooms in progress									1	1		
			Median		\$184	\$264									
Dana Point Market Rate He	otels					,									
Laguna Cliffs Marriott	available	Market Rate Hotel	378 rooms	2	\$404	\$503	5	\$404	\$503	v	V				marriott.com
Riviera Beach and Spa	available	Time Share	129 rooms	2	\$249	\$439	4	\$249	\$439	У	,		v	\$40 per stay	diamonresortsandhotels.com
Monarch Beach Resort	available	Market Rate Hotel	400 rooms	2	\$720	\$1.057	4	\$720	\$1,057	, V			, v	\$200 per stay	hilton.com
Ritz-Carlton	available	Market Rate Hotel	396 rooms	2	\$1,489	\$1,587	4	\$1,489	\$1,587					φ200 pc. σταγ	ritzcarlton.com
Blue Lantern Inn	available	Market Rate Hotel	29 rooms	2	\$350	\$400	4	\$350	\$400	٧					bluelanterninn.com
Double Tree	available	Market Rate Hotel	196 rooms	2	\$241	\$371	4	\$241	\$371	v			v	\$150 per stay	hilton.com
Best Western Inn by the Sea	available	Market Rate Hotel	29 rooms	2	\$223	\$300	4	\$223	\$300	ý	٧			,,	bestwestern.com
Lantern Pointe Hotel	Under appeal	Market Rate Hotel	40 rooms					·							
Strand Hotel	Under review	Market Rate Hotel	90 rooms												
Resort Hotel at Cannons	Approved	Market Rate Hotel	100 rooms												
Harbor Hotel 1	Under review	Market Rate Hotel	136 rooms												
Harbor Hotel 2	Under review	Market Rate Hotel	139 rooms												
TOTAL			1,557 rooms		\$525	\$665		\$525	\$665						
			505 rooms in progres	s											
			Median		\$350	\$439		\$350	\$439						
Facilities Adjacent to Dana	Point														
San Clemente State Beach	available	campground/beach	159 spaces	8	\$45 - \$70	\$45 -\$70	50	\$300	\$300				х	\$0	parks.ca.gov
San Mateo/San Onofre St. Beach	available	campground/beach/park	156 spaces	8	\$25-\$75	\$25-\$75	8	\$25-\$75	\$25-\$75				Х	\$0	parks.ca.gov
Crystal Cove Moro Campground, NB	available	cottages/beach	57 spaces + 45 hike in	8	\$55-\$75	\$55-\$75	8	\$55-\$75	\$55-\$75				Х	\$0	parks.ca.gov
Rodeway Inn, San Clemente	available	Lower Cost Hotel	43 rooms	2	\$259	\$259	4	\$269	\$269	х	Х		no		reservations.com
Travelodge San Clemente	available	Lower Cost Hotel	24 rooms	2	\$85	\$230	4	\$110	\$265	Х	Х		no		wyndamhotels.com
America's Best Value Inn, SC	available	Lower Cost Hotel	31 rooms	2	\$137	\$137	4	\$167	\$167	х			no		americasbestvalueinn.com
San Clemente Inn	available	Lower Cost Hotel	96 rooms	2	\$139	\$250	4	\$168	\$300	Х	Х	Х	no		sanclementeinn.com
San Clemente's Little Inn	available	Lower Cost Hotel	18 rooms	2	\$165	\$165	4	\$165	\$165	Х	Х	х	no		<u>californiabeaches.com</u>
San Clemente Comfort Suites	available	Market Rate Hotel	62 rooms	2	\$210	\$176	4	\$210	\$176			bkfst	no		<u>choicehotels.com</u>
Residence Inn Suites SJC			130 rooms	2	\$176	\$183	4	\$176	\$283	Х	Х	Х	yes	\$150 /stay	marriott.com
			417 camp sites		\$53	\$53			\$6/person			ļ	ļ		
	1	ļ	404 rooms		\$167	\$200		\$181	\$232		ļ	ļ	ļ	ļ	
	1	ļ	Median		\$165	\$183		\$168	\$265		ļ	ļ	ļ	ļ	
	1				ļ			ļ			<u> </u>	<u> </u>	<u> </u>	<b></b>	
TOTAL ACCOMMODATIONS	<u>Available</u>	In Progress	<u>Total</u>												
Dana Point Market Rate Rooms	1557		2119												
Lower Cost Rooms	293		334												
Camp sites	120		120			1	i	1		1	1				

Cottages	24		24						
Hostel beds		<u>52</u>	<u>52</u>						
Total Dana Point Accommodations	1994	655	2649						
Near by Accommodations									
Camp sites	417		417						
Rooms	404		<u>404</u>						
Total Near By Accommodations	<u>821</u>		<u>821</u>						
TOTAL AVAILABLE DP & NEARBY	<u>2815</u>	<u>655</u>	<u>3470</u>						
<b>Additional Dana Point Coas</b>	tal Visitor Facilites								
15 coastal access points									
Multiple scenic lookouts									
Multiple scenic parks									
Funicular cable car access to Strands B	Beach								
Headlands trails and lookout points									
Doheny State Beach (coastal access ar	nd event venue)								
Dana Strands Beach									
Baby Beach									
Salt Creek Beach									
Capistrano Beach Park									
Harbor									
Ocean Institute		·		•					
3 yacht clubs									
Orange County Events Center									
Ample free parking throughout City				-					

# APN	тот	OWNER NAME	STR ADDRESS	DISTRICT	CZ Y/N	Туре	PRICE/NT	:DROOMS/Gu	Guests		Notes
1 939-36-602	STR21-1214	Jeffrey & Patricia Stanford	2 Corniche #D							B.1.3	
2 939-36-606	STR21-1221	Jason Huskey	2 Corniche #H								
3 939-36-605	STR20-1173	Nick / Alise Moncure	2 Corniche #G								
4 939-36-610	STR20-1101	Rick Eggan	4 Corniche #D								
5 668-531-11	STR20-1185	Jonathan Hansen	8 Indigo Way								
6 939-36-559	STR21-1206	Don / Wendy Raabe	10 Corniche #A								
7 672-351-15	STR21-1211	Charles Glauser	10 Soto Grande								
8 939-36-398	STR20-1083	Dora Hidalgio-Hubbard	14 Corniche #A								
9 939-36-400	STR19-1041	Sean / Char Stanford	14 Corniche #C								
10 939-36-411	STR20-1197	Jaymi Bischoff	16 Corniche #F								
11 939-36-407	STR20-1177	Shaun Hurley	16 Corniche #B								
12 939-36-409	STR20-1175	Brian & Denise Fry	16 Corniche #D								
13 939-36-426	STR20-1086	Selina Chan	20 Corniche #E								
14 939-36-422	STR20-1154	Darlene Carney	20 Corniche #A								
15 939-36-424	STR20-1121	Nicholas Mancuso	20 Corniche #C								
16 939-36-436	STR20-1194	Jordan / Patricia Reifel	22 Corniche #G								
17 939-36-440	STR20-1140	Eleanor Allen	24 Corniche #C								
18 939-36-465	STR20-1098	Michael / Linda Androvich	28 Corniche #L								
19 939-36-477	STR20-1199	Cambron & Linda Deatherage	30 Corniche #L								
20 939-36-481	STR20-1188	Betha Everett	32 Corniche #D								
21 939-36-506	STR20-1198	Jaime and Liz Hermosillo	38 Corniche #E								
22 939-36-505	STR20-1096	Anna B. Zavala	38 Corniche #D								
23 939-36-759	STR20-1117	Kathryn & William Rathvon	38 Via Corsica								
24 939-36-527	STR20-1126	Jeana Claypool	44 Corniche #B								
25 939-36-543	STR20-1108	Stephanie Yeager	46 Corniche #J								
26 939-36-672	STR20-1201	Bill / Stephanie Gerlach	52 Corniche #F								
27 939-36-624	STR20-1120	James Cobb	64 Corniche #B								
28 939-36-628	STR20-1092	Jordan / Patricia Reifel	64 Corniche #F								
29 939-36-547	STR20-1132	Cherie Polo	68 Corniche #B								
30 939-36-641	STR20-1192	Cynthia Carol	74 Corniche #K								
31 933-64-216	STR20-1202	Bruce & Sara Arnold	24102 Avenida Corona								
32 673-132-19	STR20-1178	Shevy / Erika Akason	24351 Armada Drive								
33 682-191-09	STR20-1099	Salma Piloti	24581 Santa Clara								
34 933-25-059	STR20-1145	Michael Liikala	24622 Harbor View #C								
		Susanne Christensen	24661 Cordova								
		Bob & Peggy Noterman	24665 Cordova								
		Steve/Jeanne Hargrove	24796 Sea Mist Way								
		Virginia Hilborn	25082 Alicia Drive								
39 682-137-18	STR20-1130	Stephen Pryde	25151 Via Elevado								
40 682-137-17	STR21-1220	Gina Burt	25161 Via Elevado								
		Clayton Behling	25172 Via Elevado								
		Deanna Slocum	25221 La Cresta								
		Shannon Salome	25311 Mainsail								
44 691-392-06		<del>-</del>	26256 Via California								
45 123-142-06			26385 Via California								
		Spangler Family Trust	26582 Via Sacramento								
47 123-261-55	STR20-1182	Daniel and Julianne Williams	26721 Avenida Las Palma	S							

			George / Elizabeth Ray	26791 Calle Verano #A
			George / Elizabeth Ray	26791 Calle Verano #B
			George / Elizabeth Ray	26801 Calle Verano
			Anthony Knapp/Patricia Kwan	
			Teri Chamoures	27101 Paseo Pinzon
			Rongsheng Luo / Sunny Sun	32711 Ballena
			Clint / Amanda Davis	32881 Buccaneer St.
			Nancy Stueve	33175 Big Sur
56	673-082-12	STR20-1162	Edan / Carol Prabhu	33422 Notthingham
57	936-34-001	STR20-1118	Yasuki Hirose	33672 Chula Vista #C
58	682-101-02	STR20-1168	Jeanette Krueger	33751 Violet Lantern #A
59	682-111-38	STR21-1205	Keith & Pam Offel	33762 Diana Drive
60	682-112-05	STR20-1179	Nancy Warner, Kelli Scoggin	33777 Diana #A
61	682-112-05	STR20-1155	Nancy Warner, Kelli Scoggin	33777 Diana #B
62	682-113-56	STR20-1134	Gene / Chantelle Paredes	33831 Olinda
63	682-263-13	STR20-1169	Isaac and Dana Somsel	33842 Silver Lantern
64	682-113-13	STR21-1212	Alyssa Hendrie	33851 Olinda
65	682-102-14	STR20-1106	Robin Valles	33851 Castano
66	682-094-04	STR20-1088	Bruce and Susan VanDenburgh	33852 Granada
67	682-112-15	STR20-1122	Paul / Rebecca Mansfield	33855 Diana Drive
68	682-102-15	STR20-1138	William Gaita	33855 Violet Lantern #A
69	682-102-15	STR20-1139	William Gaita	33855 Violet Lantern #B
70	682-102-15	STR20-1172	Marti Reis	33857 Violet Lantern #A
71	682-253-26	STR20-1166	Michael & Jennifer Relich	33881 Alcazar
72	939-87-011	STR21-1216	Michael and Sandy Kelly	33882 Pequito #A
73	682-254-24	STR21-1227	Oscar / Elsa Bugarini	33901 Copper Lantern
74	682-085-24	STR20-1089	Barbara Hamilton	33922 Chula Vista
75	682-253-07	STR20-1151	Alexander Vallin	33922 Malaga
76	682-103-36	STR20-1131	Monty/Christa Kelso	33942 El Encanto
77	682-282-01	STR20-1164	Brian Randall	34001 Amber Lantern
78	682-292-02	STR20-1161	Leonard Gardner	34012 Colegio
79	682-272-28	STR21-1208	Ed Wright	34021 Violet Lantern
80	682-281-06	STR21-1219	Trent Hofferber	34051 El Encanto
81	682-281-30	STR20-1167	Jennifer / Michael Relich	34066 Amber Lantern #A
82	682-281-30	STR20-1167	Jennifer / Michael Relich	34066 Amber Lantern #B
			Shu Q Xu and Xuefeng Huang	34081.5 Malaga
		STR20-1153		34095 Crystal Lantern
			Owen Kloster	34096 Formosa Drive
86	123-202-23	STR21-1203	Eric Anderson	34354 Calle Naranja
87	933-60-002	STR20-1176	Inland Real Estate Corp, LLC	34365 Dana Strand #2
		STR20-1143		34365 Dana Strand #4
			Richard Rutkowski	34365 Dana Strand #3
			Boyd and Carol Plowman	34371 Dana Strand #1
			Bryan & Miriam Rupke	34371 Via San Juan #A
			Bryan & Miriam Rupke	34371 Via San Juan #B
			Michael Wolfe	34375 Dana Strand #2
			Chris Koerner	34375 Dana Strand #3
			Rostam Shirardian	34535 Via Verde #A
,,	001 001 40	J.1120 1127	Nostanii Siinaraiani	3 1333 VIU VCI UC IIA

96	691-381-45	STR20-1127	Rostam Shirardian	34535 Via Verde #B
97	123-303-59	STR20-1148	Tuan and Ha Vu	34538 Calle Naranja
98	691-382-06	STR21-1223	Pankaj Kadakia	34570 Camino Capistrano
99	691-381-17	STR20-1128	James Chang	34612 Via Catalina #A
100	691-381-17	STR20-1129	James Chang	34612 Via Catalina #B
101	123-081-37	STR20-1200	Priscilla Paieski	34693 Camino Capistrano
102	123-223-05	STR21-1213	Danielle Raabe	34762 Calle Ramona
103	691-141-01	STR20-1165	Donald and Susie Jensen	35051 Beach Road #A
104	691-141-02	STR21-1215	Brycon Residential	35055 Beach Road
105	935-39-141	STR20-1152	George Thomas	35061 Beach Road
106	691-141-05	STR20-1141	Lee Maddocks	35065 Beach Road #A
107	691-141-05	STR20-1142	Lee Maddocks	35065 Beach Road #B
108	691-141-11	STR20-1124	Laurie M. Beylik	35083 Beach Road
109	691-141-12	STR20-1112	Sushil Garg	35087 Beach Road #A
110	691-141-12	STR20-1157	Sushil Garg	35087 Beach Road #B
111	691-141-14	STR20-1100	M3K093 Beach Road LLC	35093 Beach Road #A
112	691-141-14	STR20-1100	M3K093 Beach Road LLC	35093 Beach Road #B
113	691-141-15	STR20-1107	Leonard Schusterman	35095 Beach Road #A
114	691-141-15	STR20-1156	Leonard Schusterman	35095 Beach Road #B
115	691-141-23	STR20-1097	Christopher Miller	35119 Beach Road
116	691-142-06	STR20-1123	Nottingham Trust	35145 Beach Road
117	691-142-08	STR20-1187	Pablo P. Prietto Trust	35155 Beach Road
118	691-142-09	STR20-1159	Paul Drag	35157 Beach Road #A
119	691-142-09	STR20-1160	Paul Drag	35157 Beach Road #B
120	691-142-11	STR20-1189	Yuritzi and Dennis Cramer	35165 Beach Road
121	691-142-13	STR20-1111	Lemaya Properties LLC	35171 Beach Road
122	691-142-14	STR20-1110	Lemaya Properties LLC	35173 Beach Road
123	691-142-22	STR21-1218	Charles & Lynda Kinstler	35201 Beach Road
124	691-142-25	STR20-1094	John / Nadine Macaluso	35215 Beach Road
125	691-142-26	STR20-1158	Michael / Kami Tidik	35221 Beach Road
126	691-151-11	STR19-1053	Edwin Arroyave	35295 Beach Road
127	691-151-13	STR20-1091	Katharyn Gabriel	35305 Beach Road
128	691-151-19	STR21-1209	Nancy Proodian	35335 Beach Road
129	691-152-27	STR21-1207	Sari Handoko	35391 Beach Road
130	691-221-14	STR20-1147	John / Julie Tilton	35402 Paseo Viento
131	691-161-02	STR20-1095	Carole Wunderly	35511 Beach Road
			Norma Hilker	35551 Beach Road
133	691-161-15	STR21-1204	Peter Benudiz / Jennifer Lewis	35561 Beach Road
134	691-161-35	STR19-1022	John Barnhart	35581 Beach Road
135	691-162-09	STR20-1105	Paul Arranaga	35641 Beach Road
136	691-162-20	STR20-1084	Mary McNulty	35679 Beach Road
137	691-162-26	STR21-1222	35701 Beach Rd LLC/Gabrielle	35701 Beach Road
138	691-331-25	STR20-1109	Dana Cederberg	35805 Beach Road
139	691-332-05	STR20-1150	Poche Beach, LLC	35827 Beach Road

<sup>1.</sup> Address was checked on Air BNB for the 2nd week of June, 3rd week of July or other non-holiday week.

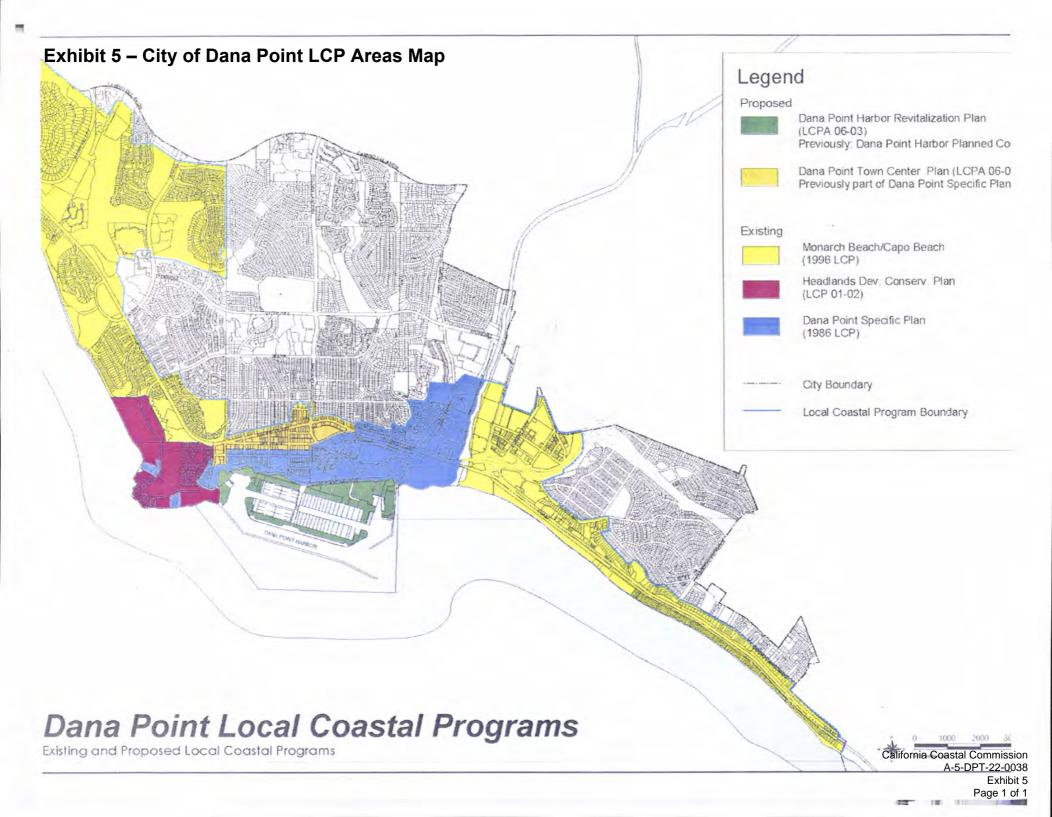
<sup>2.</sup> Rates are per night based on a one week stay.

	1 Y	home	\$1,826	5	4 Monarch Bay
	1	condo	\$491	4	4 Niguel at Del Avion
STR19-093	1	condo	\$371	2	6 Niguel at Del Avion
	N	room	\$171	1	2 Stonehill at DeLeon
STR18-0767	4 Y	home	\$935	2	5 Bluff above harbor
STR18-0767	4 Y	home	\$6,272	10	16 Santa Clara
STR18-0767	4 Y	home	\$885	2	4 Casa Rosa (Santa Clara, Ken)
STR18-0767	4 Y	home	\$1,927	5	11 Casa Luna (Santa Clara, Ken)
	4 Y	room	\$146	1	1 Town Center
		room	\$171	1	2 Stonehill at Blue Lantern
		townhouse	\$382	2	5 Golden Lantern at Cordova
STR18-0766	3	home	\$649	2	5 Casa Manzanita II (Primavera, Ken)
	1 Y	camper	\$359	1	4 Doheny State Park

Everything below this line is the prices I was able to get from AirBnB for 2nd week of June 2022. It is not matched to permits aboce.

19-0928	Capo Beach	5	home	\$373	1	4
	Surfside Inn	5 y	hotel	\$398	1	4
	Surfside Inn	5 y	condo	\$158	1	4
	PCH@Crystal Lantern	у	guest suite	\$223	1	2
	Stonehill@DeLeon	n	room	\$171	1	2
	Town Center	4 y	room	\$146	1	2
	Stonehill@Blue Lantern		room	\$171	1	2
	Doheny State Beach	5 y	camper	\$359	1	4
	Camper RV Delivery		camper	\$160	1	5
	Riveria Beach Resort	5 y	Apartment	\$432	1	4
	Riveria Beach Resort	5 y	hotel	\$411	1	4
	Riveria Beach Resort	5 y	resort	\$410	1	4
	Riveria Beach Resort	5 y	resort	\$482	1	4
	Capo Beach	5	home	\$540	2	6
14-0085	Magnolia	5	townhouse	\$359	2	6
21-1308	Capo Beach	5	home	\$372	2	6
21-1203	Capo Beach	5	home	\$513	2	6
	Nigel@Del Avion	1 n	condo	\$491	2	4
19-093	Nigel@Del Avion	1 n	condo	\$372	2	6
18-0767	Bluff above harbor	4 y	home	\$935	2	5
18-0767	Casa Rosa	4 y	home	\$885	2	4
	Golden Lantern@Cordova		townhouse	\$382	2	5
18-0766	Casa Manzanetta II on Primivera	3	home	\$649	2	5
	Riveria Beach Resort	5 y	condo	\$844	2	6
	Riveria Beach Resort	5 y	condo	\$844	2	6
	Doheny Village	5 y	condo	\$288	2	4
	Capo Beach	5 y	resort	\$482	2	4
	Capo Beach	5 y	townhouse	\$535	2	6
	Beach Rd.	5 y	home	\$850	3	10
	Beach Rd.	5 Y	home	\$1,750	3	8

	Beach Rd.		5 y	home	\$1,065	3	8
14-0111	Beach Rd.		5 y	condo	\$886	3	8
	Beach Rd.		5 y	townhouse	\$1,514	3	8
21-1283	Beach Rd.		5 y	home	\$1,280	3	8
	PCH@Del Obispo			home	\$1,457	3	8
	PCh@Crystal Lantern Casa Ele	evodo	У	home	\$509	3	8
	PCH@Crystal Lantern		У	home	\$483	3	6
21-1210	PCH@Crystal Lantern		У	home	\$774	3	5
	Riveria Beach Resort		5 y	resort	\$1,445	3	12
14-0137	Beach Rd.		5 y	home	\$1,500	4	10
21-1281	Beach Rd.		5 y	home	\$1,171	4	8
20-1200	Capo Beach		5	home	\$1,224	4	8
	Riveria Beach Resort		5 y	resort	\$1,927	4	16
20-1158	Beach Rd.		5 y	home	\$2,075	5	12
	Monarch Bay		1 y	home	\$1,826	5	4
18-0767	Casa Luna		4 y	home	\$1,927	5	11
	Capo Beach		5 y	resort	\$1,445	6	12
18-0767	Santa Clara		4 y	home	\$6,772	10	16
		Median per night for STRs			\$538	2	6
		Median per night for 1 bedroom STRs				1	4
		Median per night for 2 bedroom STRs			\$513	2	6
		Median per night for 3, 4, 5 be	droom STRs		\$1,445	3	8



## Exhibit 6 – Overnight Accommodations within Coastal Zone Vicinity

### **Coastal Overnight and Access Visitor Serving Facilities**

#### Affordable/Low-Cost Overnight Accommodations

- Doheny State Beach Campground 120 campground spaces (group site accommodates 40 people)
- Crystal Cove (in-lieu fees from Ritz Carlton) 24 cottages/118 people
- Wave Hotel at the Strand (under construction) –52 hostel beds
- Seaside Inn 28 rooms
- Lantern Point (under City Review) 51 rooms (25% affordable, 75% market rate)
- Dana Point Marina Inn 136 rooms

#### Market Rate Overnight Accommodations

- Best Western Marina Shores Hotel 87 rooms
- Laguna Cliffs Marriott 378 rooms
- Riviera Beach and Spa 129 rooms
- Monarch Beach Resort 400 rooms
- Ritz-Carlton 396 rooms
- Wave Hotel at the Strand (under construction) 57 rooms
- Resort Hotel at Cannon's (CCC Appeal) 100 rooms
- Green Lantern Hotel 53 rooms
- Blue Lantern Inn 29 rooms
- Capistrano Surfside Inn 37 rooms
- DoubleTree 196 rooms
- Best Western Inn by the Sea 29 rooms

#### **Coastal Access Facilities**

- 15 coastal access points and multiple scenic lookouts
- Funicular cable car access to Strands Beach
- Headlands trails and lookout points
- State Beach (coastal access and event venue)
- Harbor
- Trolley

Facility	Type of Lower Cost Visitor and Recreational Facility	Number of Rooms/Spaces/Beds
Doheny State Beach	Campground and State Beach	120 Campground Spaces (group-site accommodates 40 people)
Crystal Cove	State facility (cottages, underwritten by in- lieu fees of Ritz Carlton Dana Point)	24 Cottages
Dana Point Marina Inn	Lower Cost Hotel	136 Rooms
Wave Hotel (under construction)	Hostel	52 beds
Sea Side Inn	Lower Cost Hotel	28 Rooms
Lantern Point (approved by Planning Commission 8/26/19)	Lower Coast Rooms (25%)	13 Rooms
TOTALS		120 Campground Spaces 24 Cottages 52 Hostel beds 177 Rooms
The state of the s	a Point Coastal Visito	r Facilities
15 Coastal access points		
Multiple scenic lookouts Funicular cable car access to Stra	nds Beach	
Headlands trails and lookout points	S	
Doheny State Beach (coastal acce		
Harbor	oce and event vende)	
Ocean Institute		
Trolley		
	oint Market Rate Hote	ls
Best Western Marina Shores Hotel	Market Rate Hotel	87 Rooms
Laguna Cliffs Marriott	Market Rate Hotel	378 Rooms
Riviera Beach and Spa	Market Rate Hotel	129 Rooms
Monarch Beach Resort	Market Rate Hotel	400 Rooms
Ritz-Carlton	Market Rate Hotel	396 Rooms
Wave Hotel at the Strand (under construction)	Market Rate Hotel	57 Rooms
Resort Hotel at Cannon's (CCC Appeal)	Market Rate Hotel	100 Rooms
Lantern Point (approved by Planning Commission 8/26/19)	Market Rate Hotel	38 Rooms
Blue Lantern Inn	Market Rate Hotel	29 Rooms

### **ATTACHMENT 1**

Capistrano Surfside Inn	Market Rate Hotel	37 Rooms
DoubleTree	Market Rate Hotel	196 Rooms
Best Western Inn by the Sea	Market Rate Hotel	29 Rooms
Beach Front Inn & Suites Rooms	Market Rate Hotel	33 Rooms
TOTAL		1,909 Rooms
Facilities Adjacent to Dana Point	Type of Lower Cost Visitor and Recreational Facility	Number of Rooms/Spaces
San Clemente State Beach	Campground and State Beach	151 Campground Spaces
San Mateo Campground at San Onofre State Beach	Campground and State Park	150 Campground Spaces
Crystal Cove Moro Campground	Campground and State Park	58 Campground Spaces
Rodeway Inn, San Clemente	Lower Cost Hotel	43 Rooms
Travelodge San Clemente	Lower Cost Hotel	24 Rooms
America's Best Value Inn, San Clemente	Lower Cost Hotel	31 Rooms
San Clemente Inn	Lower Cost Hotel	96 Rooms
San Clemente's Little Inn	Lower Cost Hotel	18 Rooms
San Clemente Motor Lodge	Lower Cost Hotel	15 Rooms
San Juan Capistrano Residence Inn (suites w/ kitchen)	Market Rate Hotel	130 Rooms
TOTALS		359 Campground Spaces 357 Rooms



### **SHORT TERM RENTAL RESULTS SUMMARY**

WHAT BEST DESCRIBES YOU?	
Property owner	85%
Renter	
Part-time Resident	
Other	
DO YOU LIVE NEAR A SHORT TERM RENTAL (STR)?	2/0
Yes	70%
No	
	30%
YES? RATE YOUR SATISFACTION WITH THE OPERATION OF THE STR.	250/
Many Issues	
Very Few Issues	
No Issues	52%
Comments:	
- Positive feedback	36
- Long term renter displacement	10
<ul> <li>Speculators buying up housing stock</li> </ul>	12
- Deterioration of neighborhood character	28
- Drug abuse	7
- Party houses	22
- Litter / insufficient garbage service	26
- Overcrowding - Crime	11
- Crime - Property damage	5 3
- Absentee owners	9
ARE STRS AN ISSUE IN RESIDENTIAL NEIGHBORHOODS?	,
Yes	F20/
No	
WOULD SOME OR ALL OF YOUR ISSUES WITH STRS BE ADDRESSED WITH THE OPPOPERTY OWNER/MANAGER THAT WOULD BE AVAILABLE 24 HOURS A DAY AN	
Yes	59%
No	41%
SHOULD STRS BE ALLOWED IN RESIDENTIAL NEIGHBORHOODS (E.G. SINGLE FA	MILY, DUPLEX, TRIPLEX, ETC)?
Yes	57%
No	43%
WHERE DO YOU BELIEVE STRS SHOULD BE LOCATED IN THE CITY? SELECT ALL BE ALLOWED, ADDITIONAL AREAS CAN BE ADDED IN THE COMMENT BOX NEXT	
All residential areas	239
Only multi-family areas (duplex, triplex, etc.)	
Commercial areas	
Town Center	
Beach Road	
Other	
Other	
Exhibit 7 - 2018 & 2020 STR Survey Re	sults Summary

WHAT IS YOUR PRIMARY CONCERN WITH STRS?	SELECT ALL ANSWERS THAT APPLY. ADDITIONAL ANSWERS CAN BE
ADDED IN THE COMMENT BOX NEXT TO "OTHER".	

ADDED IN THE COMMENT BOX NEXT TO "OTHER".	
Noise	194
Parking	171
Strangers in the Neighborhood	
All of the above	
Other	
Comments:	
- No concern / Positive feedback	57
- Long term renter displacement	6
- Speculators buying up housing stoo	•
- Deterioration of neighborhood cha	
- Drug abuse	6
- Party houses	8
- Litter / insufficient garbage service	11
- Overcrowding	7
- Crime	5
- Property damage	5
- Absentee owners	5
WOULD YOU ATTEND A FORUM TO DISCUSS STRS?	
Yes	74%
No	
SHOULD THE CITY CONSIDER ALLOWING HOSTED STAY STRS (WHERE PROPERTY AND THEY RENT OUT ROOMS OR OTHER UNITS, IF IT IS A I	
Yes	72%
No	28%
WHAT WOULD BE AN ACCEPTABLE MINIMUM STAY FOR A STR (HOST WOULD BE ACCEPTABLE:	ED OR NON-HOSTED)? SELECT ALL ANSWERS THAT
- One Day	92
- Two Days	108
- Three Days	119
- Four / Five Days	105
- Six / Seven Days	144
- Not less than 30 days	171
HAVE YOU EVER SUBMITTED A COMPLAINT TO THE CITY ON ISSUES V	
Yes	8%
No	92%
WERE YOU AWARE THE CITY HAS A 24 HOUR COMPLAINT LINE FOR S	
Yes	24%
No	76%
SHOULD THERE BE A CAP FOR THE NUMBER OF STR PERMITS ISSUE	D BY THE CITY IN A SPECIFIC AREA?
Yes	
No	<del>-</del>
Don't Know	
DOIL KIIOW	10/6

\*This survey did not require a response for every question. This summary reflects the total responses received.

California Coastal Commission
A-5-DPT-22-0038



# CITY OF DANA POINT SHORT-TERM RENTAL SURVEY 320-874-WT

N=500

MARGIN OF SAMPLING ERROR  $\pm 4.4\%$  (95% CONFIDENCE INTERVAL)

Hello,	I'm from	, a public opinion	n research company	y. I am definitely	NOT trying to
sell yo	ou anything. We are conducting a	an opinion survey ab	out issues that inte	rest people living	in the City of
Dana	Point, and we are only interested	I in your opinions.	May I speak to	?	YOU MUST
	K TO THE VOTER LISTED. V				
OTH	ERWISE TERMINATE. (IF NO	T AVAILABLE, A	SK WHEN IT W	OULD BE CON	VENIENT TO
CALI	AGAIN.)				
A.	Before we begin, I need to know safe place where you can talk?"	if I have reached yo	u on a cell phone.	(IF YES, ASK:)	"Are you in a
	•	Yes, cell and in	safe place	81 %	
			safe place		
		No, not on cell -		19%	
		(DON'T READ)	DK/REFUSED	- TERMINATE	
1.	OK, let's begin. First, do you thi direction? (DO NOT ROTATE)		are gener	ally headed in the	right or wrong
	·	RIGHT	WRONG (	DON'T READ)	
			<b>DIRECTION</b>		
a.	The City of Dana Point	65%	22%	13 %	
b.	Your local neighborhood	75 <i>%</i>	15%	11%	

2. **(T)** What do you think is the most serious issue facing the residents of Dana Point that you would like to see City government do something about? **(OPEN-END. RECORD VERBATIM RESPONSES.) ACCEPT UP TO THREE RESPONSES.)** 

Homeless population	28 %
Overcrowding/overpopulation/overdevelopment	22 %
Traffic congestion/traffic violators/transportation	7%
Drugs/alcohol use and sober living homes	6%
Parking	6%
Cost of housing	6%
Coronavirus	5%
Crimes/safety	5%
Maintain small town feeling/local businesses	5%
Maintain/protect the beaches	4 %
City beautification/maintaining city cleanliness	4 %
Harbor revitalization project too slow/dislike	
Short term rentals (too many)	3%
City government/corruption	3%
Cost of living	2%
Education/school	2%
Economy/jobs	2%
Environment/climate change	2%
Short term rentals (not enough)	1%
Provide more business	1 %
Taxes	
Burying the power line	1%
Lowering of rental costs	
Road repair/infrastructure	
5G towers	1%
Illegal immigration	0%
Maintaining Lantern District	0%
Healthcare	0%
Government/politics	0%
Better representation for Capo Beach	
Other	
None/don't know	10%

This survey deals with the issue of short-term housing rentals. As you may be aware, short-term rentals are entire residential houses or apartments, or rooms within those houses or apartments, that are rented out to visitors for between one and 29 consecutive days, for a fee. These short-term rentals are often arranged on websites such as Airbnb, Home Away and VRBO.

#### (SPLIT SAMPLE C ONLY)

3. As you may know, a few years ago, the Dana Point City government granted annual permits for about 150 short-term rentals in the city which are still in effect today, but no more permits are being offered. With that information in mind, which of the following would you prefer? (RANDOMIZE; READ OPTIONS)

[] The City should allow existing short-term rental owners to continue operating with no	
changes to City policy14	%
[] The City should allow existing short-term rental owners to continue operating, but	
should add more regulations about noise, parking and other issues34	%
[] The City should reduce the number of short-term rentals allowed in the City28	%
[] The City should offer short-term rental permits to more homeowners18	%
( <b>DON'T READ</b> ) Don't know/NA7	%

#### (RESUME ASKING ALL RESPONDENTS)

<b>TOTAL FAVOR56%</b>
Strongly favor 26%
Somewhat favor 30%
<b>TOTAL OPPOSE41%</b>
Somewhat oppose 15%
Strongly oppose 26%
(DON'T READ) DK/NA3%

5. Another option is to allow Dana Point homeowners to rent out their own primary residence to visitors for between one and 29 consecutive days while the homeowner is traveling or living elsewhere. This would apply only to Dana Point homeowners renting out their own homes that they live in as a primary residence. In general, do you favor or oppose the City allowing one of YOUR NEIGHBORS to rent out their entire primary residence for between one and 29 consecutive days while they are traveling or living elsewhere? (IF FAVOR/OPPOSE, ASK: "Is that strongly FAVOR/OPPOSE or just somewhat?")

TOTAL FAVOR 53%	
Strongly favor 31%	ó
Somewhat favor22%	0
TOTAL OPPOSE 45%	ó
Somewhat oppose 15 %	0
Strongly oppose 30%	0
(DON'T READ) DK/NA2%	0

6. The last option I would like to discuss is the City allowing all property owners to rent out <u>homes other</u> than their primary residences to visitors for between one and 29 consecutive days. In general, do you favor or oppose the City allowing one of the homes NEXT DOOR TO YOU to be rented out to visitors for between one and 29 consecutive days if it is <u>NOT</u> the owners' primary residence? (**IF FAVOR/OPPOSE**, **ASK**: "Is that strongly **FAVOR/OPPOSE** or just somewhat?")

<b>TOTAL FAVOR40%</b>	6
Strongly favor 23 %	
Somewhat favor 179	б
TOTAL OPPOSE 59%	б
Somewhat oppose 149	б
Strongly oppose 45%	6
( <b>DON'T READ</b> ) DK/NA19	6

#### (ASK Q7 IF Q4 CODED 3 OR 4, "OPPOSE")

7. Next, I am going to mention some types of concerns that have been raised about short-term rentals and ask you how concerned you are about each of them. First, when it comes to home stay rentals, if one of YOUR NEIGHBORS rents out a portion of their home while they are living there, which of the following would be your biggest concern? If you would not be concerned about any of them, you can tell me that instead. (RANDOMIZE CODES 1-5 AND READ OPTIONS; IF CODES 1-5 CHOSEN, ASK: "And what would be your second biggest concern?" IF CODE 6 OR 7 CHOSEN FOR 1<sup>ST</sup> CHOICE, MARK THE SAME CODE FOR 2<sup>ND</sup> CHOICE)

	$1^{\mathrm{st}}$	$2^{\mathrm{nd}}$
	<b>Choice</b>	Choice
[] Renters taking up parking spaces on neighborhood streets		
[] Renters creating too much noise	10%	17%
[] Less housing available for long-term renters	10%	9%
[] Renters leaving trash out or otherwise hurting the visual appeal of the		
neighborhood	3 %	15%
[] Unknown people coming in and out of your neighborhood making		
you feel less safe	48%	24%
None of the above	6%	8%
(DON'T READ) DK/NA	2%	4 %

#### (ASK Q8 IF Q4 CODED 1 OR 2, "FAVOR")

When it comes to home stay rentals, which of the following reasons best explains why you favor the City allowing one of YOUR NEIGHBORS to rent out a portion of their home while the homeowner is living there? If none apply, you can tell me that instead. (RANDOMIZE CODES 1-5 AND READ OPTIONS; IF CODES 1-5 CHOSEN, ASK: "And what is the second-best reason?" IF CODE 6 OR 7 CHOSEN FOR 1<sup>ST</sup> CHOICE, MARK THE SAME CODE FOR 2<sup>ND</sup> CHOICE)

	1 <sup>st</sup>	$2^{\mathrm{nd}}$
	Choice	Choice
[] Tax dollars collected for City services	4 %	7 <i>%</i>
[] Supplemental income for homeowners	15%	32%
[] Homeowners having the right to rent out their homes	49%	19%
[] Bringing in tourists to help the local economy	11%	15%
[] Do not expect it will impact you in a significant way	10%	13 %
None of the above	8%	12%
(DON'T READ) DK/NA	2%	3 %

#### (ASK Q9 IF Q5 CODED 3 OR 4, "OPPOSE")

9. Next, when it comes to one of YOUR NEIGHBORS <u>renting out their own primary residence</u> while they are traveling or living elsewhere, which of the following would be your biggest concern? If you would not be concerned about any of them, you can tell me that instead. (RANDOMIZE CODES 1-7 AND READ OPTIONS; IF CODES 1-7 CHOSEN, ASK: "And what would be your second biggest concern?" IF CODE 8 OR 9 CHOSEN FOR 1<sup>ST</sup> CHOICE, MARK THE SAME CODE FOR 2<sup>ND</sup> CHOICE)

	$1^{\mathrm{st}}$	$2^{\mathrm{nd}}$
	<b>Choice</b>	<b>Choice</b>
[] Renters taking up parking spaces on neighborhood streets	6%	18%
[] Renters creating too much noise	9%	21%
[] Less housing available for long-term renters	9%	6%
[] Renters leaving trash out or otherwise hurting the visual appeal of the		
neighborhood	4%	11%
[] Unknown people coming in and out of your neighborhood making		
you feel less safe	49%	15%
[] No one to call with a problem, particularly in the middle of the night	7 <i>%</i>	10%
[] City's regulations and restrictions will be too difficult to enforce	10%	11%
None of the above	5%	6%
(DON'T READ) DK/NA	1%	2%

#### (ASK Q10 IF Q5 CODED 1 OR 2, "FAVOR")

10. Which of the following reasons best explains why you favor the City allowing one of YOUR NEIGHBORS to rent out their own primary residence while they are traveling or living elsewhere? If none apply, you can tell me that instead. (RANDOMIZE CODES 1-5 AND READ OPTIONS; IF CODES 1-5 CHOSEN, ASK: "And what is the second-best reason?" IF CODE 6 OR 7 CHOSEN FOR 1<sup>ST</sup> CHOICE, MARK THE SAME CODE FOR 2<sup>ND</sup> CHOICE)

	$1^{st}$	$2^{\mathrm{nd}}$
	<b>Choice</b>	<b>Choice</b>
[] Tax dollars collected for City services	3%	9%
[] Supplemental income for homeowners	17%	31%
[] Homeowners having the right to rent out their homes	55%	20%
[] Bringing in tourists to help the local economy	10%	14%
[] Do not expect it will impact you in a significant way	11%	16%
None of the above	3%	7 <i>%</i>
(DON'T READ) DK/NA	1 %	3 %

#### (ASK Q11 IF Q6 CODED 3 OR 4, "OPPOSE")

11. And, when it comes to <u>property owners</u> renting out property NEXT DOOR TO YOU that they don't live in to visitors for between one and 29 consecutive days, which of the following would be your biggest concern? If you would not be concerned about any of them, you can tell me that instead. (RANDOMIZE CODES 1-7 AND READ OPTIONS; IF CODES 1-7 CHOSEN, ASK: "And what would be your second biggest concern?" IF CODE 8 OR 9 CHOSEN FOR 1<sup>ST</sup> CHOICE, MARK THE SAME CODE FOR 2<sup>ND</sup> CHOICE)

	$1^{st}$	$2^{\mathrm{nd}}$
	<b>Choice</b>	<b>Choice</b>
[] Renters taking up parking spaces on neighborhood streets	7%	11%
[] Renters creating too much noise	13 %	16%
[] Less housing available for long-term renters	13 %	9%
[] Renters leaving trash out or otherwise hurting the visual appeal of the		
neighborhood	3%	11%
[] Unknown people coming in and out of your neighborhood making		
you feel less safe	44 %	18%
[] No one to call with a problem, particularly in the middle of the night	6%	14%
[] City's regulations and restrictions will be too difficult to enforce	8%	10%
None of the above	6%	9%
(DON'T READ) DK/NA	1%	1 %

#### (ASK Q12 IF Q6 CODED 1 OR 2, "FAVOR")

Which of the following reasons best explains why you favor the City allowing property owners to rent out property NEXT DOOR TO YOU that they do not live in to visitors for between one and 29 days consecutive days? If none apply, you can tell me that instead. (RANDOMIZE AND READ OPTIONS; IF CODES 1-5 CHOSEN, ASK: "And what is the second-best reason?" IF CODE 6 OR 7 CHOSEN FOR 1<sup>ST</sup> CHOICE, MARK CODE 6 OR 7 FOR 2<sup>ND</sup> CHOICE)

	$\mathbf{1^{st}}$	2 <sup>na</sup>
	<b>Choice</b>	<b>Choice</b>
[] Tax dollars collected for City services	6%	·9 <i>%</i>
[] Supplemental income for homeowners	13 %	30%
[] Homeowners having the right to rent out their homes	56%	16%
[] Bringing in tourists to help the local economy	7%	14%
[] Do not expect it will impact you in a significant way	11%	15%
None of the above	6%	14%
(DON'T READ) DK/NA	1%	2 %

#### (SPLIT SAMPLE D ONLY)

13. As you may know, a few years ago, the Dana Point City government granted annual permits for about 150 short-term rentals in the city which are still in effect today, but no more permits are being offered. With that information in mind, which of the following would you prefer? (RANDOMIZE AND READ OPTIONS)

[] The City should allow existing short-term rental owners to continue operating	
with no changes to City policy	11%
[] The City should allow existing short-term rental owners to continue operating,	
but should add more regulations about noise, parking and other issues	38%
[] The City should reduce the number of short-term rentals allowed in the City	25 %
[] The City should offer short-term rental permits to more homeowners	22 %
(DON'T READ) Don't know/NA	California Coastal Commission

#### (RESUME ASKING ALL RESPONDENTS)

14. Next, I am going to read you some of the ways that the Dana Point City government could regulate short-term rentals in the city. For each one that I mention, please tell me if you would favor or oppose that City regulation on short-term rentals. (IF FAVOR/OPPOSE, ASK:) "Is that strongly FAVOR/OPPOSE or just somewhat?" (RANDOMIZE)

		STR FAVOR		SMWT OPPOSE (	STR OPPOSE			TOTAL OPPOSE
[ ]a.	Limiting the number of days per year that a home can be used as a short-	10.64	4.5 %	4.50	22.84		500	40.07
[ ]b.	Requiring short-term rental owners to install noise level monitoring devices	40%	17%	17%	- 23%	3%	58%	40%
[ ]c.	that can be monitored remotely Requiring short-term rental homes to	32%	22%	16%	25%	5%	54%	41%
	offer parking in driveways or garages-	62%	23%	7%	6%	1%	85%	13%
[ ]d.	Limiting the number of occupants that can rent a short-term housing unit by the size of the home or number of							
[ ]e.	bedrooms in a homeEstablishing a substantial fine on	64%	16%	7%	- 11%	2%	79%	18%
į je.	short-term rental owners who violate the City's rules, with increasing fines							
	for each violation	55%	22%	10%	- 10%	3 %	77%	20%
( <b>ASK</b> [ ]f.	SPLIT SAMPLE A ONLY) Requiring short-term rental owners to							
[ ]1.	create and provide a nuisance response plan that includes the contact information for a person who can be responsible at all times if nearby residents experience problems							
	with a renter	57%	27%	5%	- 10%	2%	83%	14%
( <b>ASK</b> [ ]g.	SPLIT SAMPLE B ONLY) Requiring short-term rental landlords to designate an individual who is available to respond to complaints within an hour, 24 hours a day, 7							
	days a week	56%	22%	9%	- 11%	1%	<i>7</i> 9%	21%

#### (RESUME ASKING ALL RESPONDENTS)

15. Have you ever made one your homes available for a short-term rental, either in Dana Point or in another community?

Yes	10%
$N_0$	90%
(DON'T READ) Don't know/NA	0%

## HERE ARE MY FINAL QUESTIONS. THEY ARE JUST FOR STATISTICAL PURPOSES.

16. (T) How long have you lived in Dana Point? (READ LIST)

Less than one year5%
One to four years 21%
Five to nine years19%
10 to 14 years 12%
15 to 29 years22%
More than 29 years20%
(DON'T READ) DK/NA/Refused0%

17. Do you live in a homeowners' association?

Yes429	%
No 56 9	%
(DON'T READ) DK/NA/Refused19	%

18. Do you own your home in Dana Point or do you rent it?

Own	· 70 %
Rent	28%
(DON'T READ) DK/NA	/Refused2 %

19. **(T)** Which of the following best describes your current home?

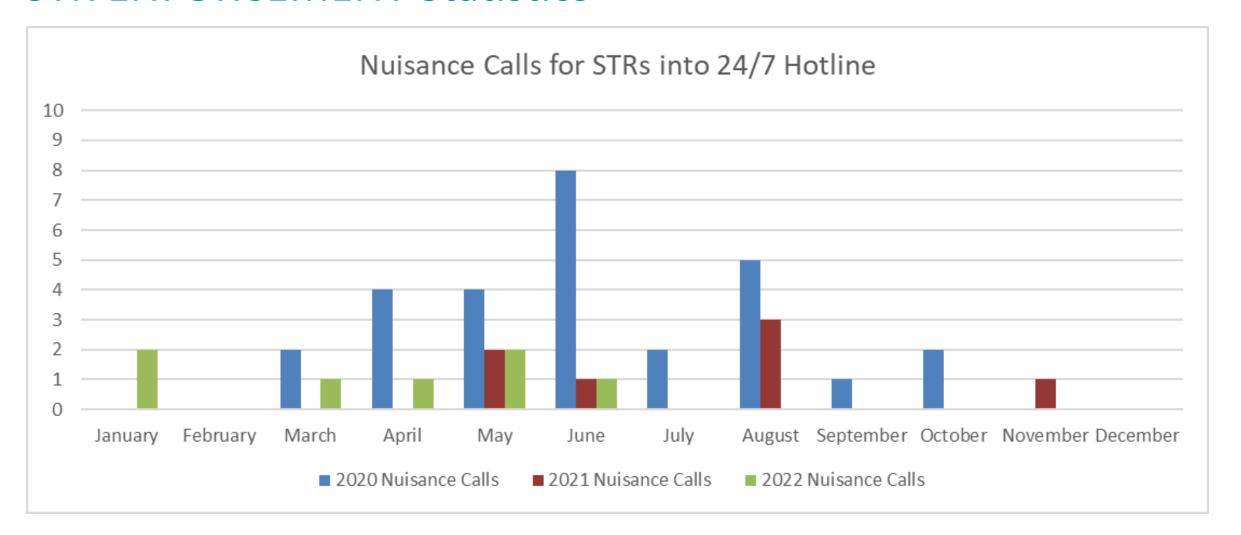
Detached, single-family home 60%
Townhome 12 %
Condominium 12 %
Apartment13%
Mobile home1%
( <b>DON'T READ</b> ) DK/Refused1%

THANK YOU VERY MUCH FOR YOUR TIME AND PARTICIPATION IN THIS SURVEY.

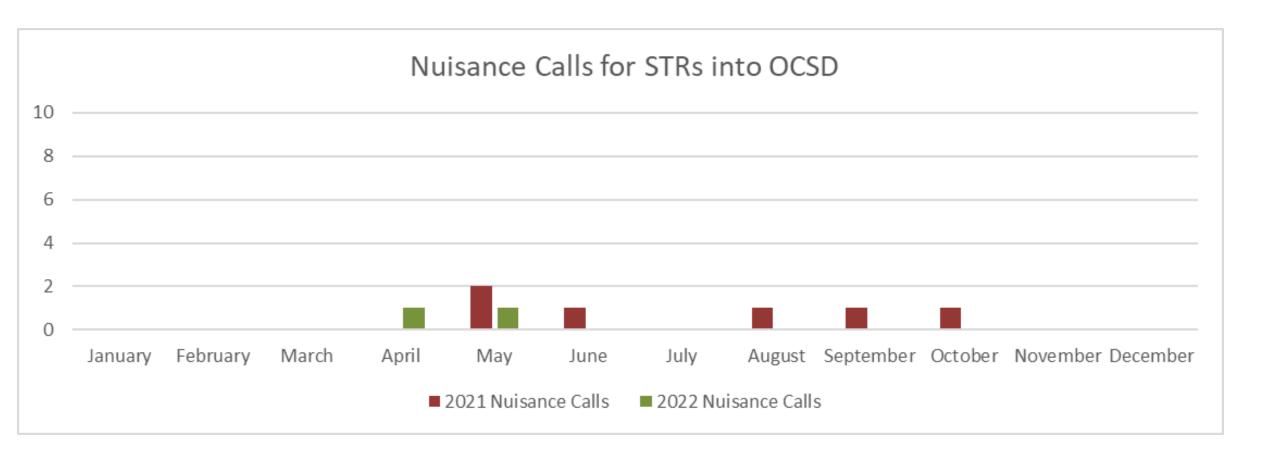
3 + ----- 38 % Blank ----- 37 %

**PAGE 10** 

# **STR ENFORCEMENT Statistics**



# **STR ENFORCEMENT Statistics**



# **STR ENFORCEMENT Statistics**

	2022 NUISANCE CALL AND CITATION STATISTICS (As of July 1, 2	2022)
1	Total Number of Vacation Rental Hotline Calls	12 Calls
a.	Number of Calls for Nuisance into the Hotline	5 Calls
b.	Number of Calls for Nuisance into the OC Sheriff Dispatch	2 Calls
c.	Number of Calls for Nuisance where Code Enforcement Engaged	5 Calls
d.	Number of Calls for Nuisance where OCSD Responded	2 Calls
2	Total Number of Citations Issued By the City for STR Nuisance Violations	0 Citations
a.	Citations for Music	0 Citations
b.	Citations for Noise	1 Citation
c.	Citations for Trash	0 Citations
d.	Citations for Parking	0 Citations
3	Total Registered Vacation Rental Homes as of 1/1/2022	131 Properties
a.	Total Number of Vacation Rentals with Zero Citations	129 Properties
b.	Total Number of Vacation Rentals with One Citations	1 Properties
c.	Total Number of Vacation Rentals with Two Citations	0 Properties
d.	Total Number of Vacation Rentals with Three Citations	0 Properties
e.	Total Number of Permits Revoked in 2022	0 Properties

Category	2021 Totals	2022 Totals
After Hour Patrols on STR's	240	135
Number of Inspections	3230	3132
Number of Nuisances Found	0	0
Complaints on 24/7 Hotline	4	1
Complaints to OCSD	2	0
Complaints (Other)	1	0
Nuisances Abated	0	0
Nuisance Citation Issued	3	0

# STR ENFORCEMENT Statistics: citations

Year	2018	2019	2020	2021	2022 (to date)
Citations Issued	18	75	101	114	52
Citations Collected	7	28	64	90	20
% Collected	39%	37%	63%	79%	38%
Amount Collected	\$ 2,700.00	\$ 21,111.89	\$ 38,225.00	\$ 50,325.00	\$ 7,600.00
Original Bail	\$ 2,700.00	\$ 21,111.89	48, 650.00	\$ 57,050.00	\$ 30,800.00
Appealed	0	0	1	36	1
Citations Upheld	0	0	1	36	1

# STR ENFORCEMENT Statistics: STR Code Cases by type

