

CALIFORNIA COASTAL COMMISSION

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W14b

LCP-2-HMB-21-0078-2 (Short Term Rentals and Home Occupations)
March 8, 2023

CORRESPONDENCE



CITY OF HALF MOON BAY

501 Main Street
Half Moon Bay, CA 94019

December 14, 2022

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

Re: LCP-2-HMB-21-0078-2: Updates to home occupation standards and establishing short-term rental regulations

Dear Mr. Benham,

The California Coastal Commission conducted a public hearing on October 14, 2022 on the City of Half Moon Bay's application for a Local Coastal Program amendment to revise the home occupation standards and to establish short-term rental (STR) regulations. The Commission continued the item to allow time for Coastal Commission staff and City staff to further refine compromises to certain terms of the STR regulations proposed by the City. The Commissioners were also interested in additional data. City staff appreciate your time in considering the City's additional proposed modifications to the ordinance and in advising us about data sets that would be most informative to the Commission.

This letter conveys the City's proposal for modifications to our originally submitted ordinance (Attachment 1) and additional data (Attachment 2). In summary, the ordinance modifications include the following:

1. **Continuance of STRs without Primary Residence:** As previously communicated, primary residence is the cornerstone of the City's ordinance. As the data in Attachment 2 presents, STRs have been eroding the City's housing inventory. The primary residence provision is considered a best practice for protecting housing stock while also allowing for ample STR operations. It is key for implementation of the Local Coastal Land Use Plan policies, which are thereby harmonized without conflict. That said, we understand that Coastal Commission staff has been contacted by STR operators who are concerned about the impact on their existing businesses due to the this provision. The City is also supportive of those STRs that have been operating in good standing, and therefore we are proposing generous provisions for allowing most of these operations to continue under the new ordinance.
2. **STR Unhosted Nights:** As originally proposed, the City's ordinance specified a cap of 60 unhosted nights/year. As a compromise, we propose 180 nights/year for STRs granted continuance for nonprimary residence operations as described above; and 120 nights/year for all others.

3. STR Occupancy: City staff agree with the Coastal Commission staff modification to allow two persons per bedroom.
4. STR Parking: City staff agree with the Coastal Commission staff modifications to require one space per bedroom. We further propose clarifying language about the availability of on-site parking spaces to STR guests.
5. Minimum Lot Size: City staff agree with Coastal Commission staff to eliminate this provision on the condition that primary residence is included in the ordinance. Otherwise, we will continue to seek a minimum lot size for STRs.
6. Enforcement: City staff agree with Coastal Commission staff modifications.
7. Priority Use: City staff understand the Coastal Commission staff's concern about the broad language included in the original ordinance. However, City staff remain concerned about short-term rental uses being used as a mechanism for homeowners to obtain priority water and sewer connections. As such, City staff have eliminated the language flagged by Coastal Commission staff, but included alternative language to address the specific infrastructure issue.

Thank you for considering these compromises and supporting data. We believe this proposal aligns with the Coastal Commission's discussion. If we can provide further clarification, please let us know.

Sincerely,



Jill Ekas,
Community Development Director

Attachments:

1. City Ordinance with City proposed revisions
2. Summary of STR Operations in Half Moon Bay

Chapter 18.06 Residential Land Use (R-1, R-2, R-3)

18.06.025 Use regulations.

Additional regulations for permitted uses in each residential district shall be met for the following uses:

A. – E. [*Intentionally omitted. No changes to these subsections are proposed*]

F. Home Occupations. Home occupations are ~~permitted~~allowed in all residential districts and shall comply with the following:

1. ~~Eligible Employees~~Resident Only. No one other than a rResidents of the dwelling ~~and one non-resident employee may~~shall be employed on site or report to work at the site of a home occupation. This ~~limitation~~prohibition also applies to independent contractors.
2. No Inconsistent Activity. There shall be no interior or exterior activity related to the home occupation ~~that interferes with or is detrimental to residential use of adjacent property inconsistent with or interfering with residential use of the property or detrimental to property in the vicinity.~~that interferes with or is detrimental to residential use of adjacent property
3. Entirely Within. A home occupation shall be conducted entirely within a building, either the main residence or an accessory building, and shall occupy no more than five hundred square feet of floor area. No outdoor storage of materials or supplies shall be ~~allowed~~permitted in conjunction with the home occupation.
4. No Visibility. The existence of a home occupation shall not be apparent beyond the boundaries of the site, and no home occupation shall involve the use of a sign, nor the display of products visible from the street.
5. No On-site Retail. The home occupation shall not involve on-site retail business, interior or exterior alterations, nor construction features not normally found in dwellings. Retail business operating entirely by mail are permitted.
6. ~~No~~ Traffic. A home occupation shall not create pedestrian, automobile, or truck traffic detrimental to property in the vicinity. Visitor vehicle trips to the home occupation such as for customers, clients, vendors, or suppliers, are limited to one visitor vehicle at a time, with no more than two occurrences per day. Incidental traffic associated with deliveries may take place.
7. Parking. Parking shall be provided on site for any employee of the home occupation.
8. Non-Priority Use. Home occupations shall not be considered Coastal Act Priority Uses, as that term is defined in the Local Coastal Land Use Plan.

9. Business License Submittal Required. Prior to the issuance of a business license for a home occupation, the applicant shall submit to the community development director a written description of the operational characteristics of the proposed home occupation. The community development director shall determine that the proposed home occupation complies with the requirements of this section. Decisions of the community development director may be appealed to the planning commission by the applicant or by any interested party.

108. Violations/Complaints. Violations of the provisions of this section ~~or other city requirements~~ shall be enforced according to Title 4 of the Municipal Code. ~~Nothing in Chapter 18.06.025 limits the City's authority to enforce violations of the Municipal Code pursuant to Title 4 of the Municipal Code.~~ In the event a complaint is received regarding a home occupation, the community development director shall refer the issue to the planning commission to review the operational characteristics of the use. Both the complaining party and the operator of the home occupation shall be notified of the time, place, and date of the planning commission meeting. In the event it is determined that the home occupation is detrimental to the neighborhood, the planning commission may impose any conditions necessary to maintain consistency with the provisions of this chapter.

G. Short-term vacation rentals. Short-term vacation rentals are allowed as accessory uses to residential dwelling units subject to this section:

1. Short-Term Vacation Rental Registration and Compliance Review Required. No person shall offer any short-term vacation rental unless the short-term vacation rental is registered and found to be in compliance with this chapter.

2. Application. Prior to operation of a short-term vacation rental, the operator shall submit an application that includes all of the following:

a. Name and contact information of the operator. All adults for whom the property is a permanent residence shall be listed as operator.

b. A written description of the proposed short-term vacation rental's compliance with this section on a form prepared by the community development director.

c. Site plan showing location of all existing buildings and location and dimensions of on-site parking.

d. Floor plan showing all rooms with each room labeled as to room type.

e. Description of rooms or dwelling unit to be used for the short-term vacation rental.

f. If the operator is not the property owner, the property owner's written consent to the short-term vacation rental use.

g. If the property is subject to a homeowner's association (HOA), the HOA's written consent to the short-term vacation rental use.

h. Proof of primary residence. The operator shall provide documentation that the property where the short-term vacation rental use is to be conducted is the operator's primary residence, if required by this section.

i. Consent to inspection. Consent to physical inspection(s) by City staff, contractors, or representatives for the purpose of verifying compliance with this Chapter during regular business hours (7:30 a.m. to 5:30 p.m.) or if in response to a complaint, regardless of the time. Consent to provide records of compliance to the City within one (1) week upon request.

j. Municipal services. The short-term vacation rental property shall have an adequate water and sewer connections and shall be served by local utility agencies for water and sewer service. In the event that the short-term vacation rental property is served by a well for potable water and/or by a private sewage treatment system such as a septic system, the short-term vacation rental operator shall provide written proof of safe yield and/or adequate capacity by San Mateo County Environmental Health Services or other applicable oversight agency. Short-term vacation rental use shall not qualify for priority infrastructure service.

k. Water use. For any renewal or registration of an existing short-term vacation rental, the operator shall provide documentation of the water use at the property for the prior year during the period in which the property was used as a short-term vacation rental.

l. Proof of Rental Nights. For any renewal, the operator shall provide documentation of the number of nights the unit was rented during the prior year, including whether the unit was used as a hosted short-term rental or an unhosted short-term rental.

m. Fee. The operator shall pay a registration fee prescribed by City Council resolution, no part of which shall be returnable to the operator. The City Council may establish fees that are different for initial registration of a new short-term vacation rental and renewals or registrations of existing short-term vacation rentals.

n. Additional materials as deemed necessary by the community development director.

3. Registration Requirements. The community development director shall register short-term vacation rentals that comply with all of the requirements of this Section 18.06.025 (G), including:

a. Building and Fire Code Inspection. There shall be no outstanding building, electrical, plumbing, fire, health, housing, police, or planning code violations

or enforcement actions, including any notices of violation, notices to cure, orders of abatement, cease and desist orders, or correction notices related to the property on which the short-term vacation rental is to be located.

b. Indemnification. The property owner and any separate operator shall jointly and severally agree to indemnify, hold harmless and defend the City and its officials, employees, and agents from any and all liability, actions, claims, damages, costs and expenses, including reasonable attorney's fees and costs, which may be asserted by any person or entity arising from or related to the issuance of the short-term vacation rental registration or its operation.

c. Insurance. The operator shall file a certificate of insurance showing the maintenance of insurance in the amount appropriate to cover any liability of the operator for property damage and injuries to persons in connection with short-term vacation rental activities.

d. Business License. The operator shall obtain a City of Half Moon Bay business license.

e. Transient Occupancy Tax. Evidence of compliance with the provisions of transient occupancy tax, Chapter 3.12 including registration certificate. For short-term vacation rentals operating prior to the date of application, payment of all taxes, penalties, and interest due is also required.

f. Notification. The operator shall have notified neighbors within 100 feet of the short-term vacation rental property, posted a temporary sign for thirty (30) days on the property indicating intent to register as a short-term vacation rental. The notification and signage shall include the contact information of the responsible party designated to respond to a complaint pursuant to Section 18.06.025 (G)(5)(g).

g. Water Use. If the water use documentation demonstrates short-term vacation rental water use exceeding an average of 300 gallons per day, the operator shall include strategies to reduce water use to below an average of 300 gallons per day during the next year. If such strategies are ineffective, the registration shall not be renewed.

h. Compliance. The property on which the short-term vacation rental will be located has not had two (2) or more violations of the City's Municipal Code within the last twelve (12) months from registration submittal and has not been denied registration or had registration revoked within the preceding twelve (12) months. The operator has not had two (2) or more violations of the City's Municipal Code within the last twelve (12) months from registration submittal related to any short-term vacation rental, has not been denied registration for any other short-term vacation rental within the preceding twelve (12) months, and has not had a short-term vacation rental registration revoked at any time.

i. Nuisance. Operation of the short-term vacation rental would not a public nuisance or threat to the public health, safety, or welfare.

4. Registration Term. The initial short-term vacation rental registration is valid for one (1) year and renewable through an administrative review by the community development director thereafter, if in good standing. Registration renewals shall comply with subsection (3), except for the inspection and notification provisions. Registrations are not nontransferable to another property or operator.

5. Operation Requirements.

a. Residential Unit Type.

i. Single-family and residential condominium dwelling unit: One short-term vacation rental may operate as an accessory use to a single-family unit or residential condominium dwelling unit.; ~~provided, however that minimum lot sizes for short term vacation rental use on any single family lot developed with a detached single family home is as follows:~~

~~R 1, R 2, R 3, and C R zoning districts: 4,125 square feet~~

~~PUD zoning district: The lot size established for the site when the coastal development permit was issued for the applicable subdivision in place as of the effective date of this ordinance~~

~~PUD X zoning district: 10,500 square feet~~

ii. Duplexes and triplexes: Short-term vacation rentals may operate from duplexes and triplexes under limited conditions as follows:

1. At least one unit within the duplex or triplex is the primary residence of the property owner; and

2. No more than one unit in a duplex or triplex may be registered and operated for short-term vacation rental use.

iii. Mixed-use development: In the Commercial-Downtown, Commercial-General, and Commercial-Visitor Serving Zoning Districts, in mixed-use developments with at least two dwelling units, no more than one unit may be registered and operated for short-term vacation rental use.

iv. Prohibited: Short-term vacation rentals may not operate from mobile homes, recreational vehicles, multi-family developments with four or more units, any mixed-use or residential development containing one or more units restricted to be affordable to lower income households, farmworker housing, accessory dwelling units except pursuant to Chapter 18.33, in the Open Space Reserve (OS-R) or Urban Reserve (U-

R) zoning districts, or in the substantially undeveloped Planned Developments in Chapter 2 of the Land Use Plan.

b. Primary Residence. No dwelling unit shall be operated for short-term vacation rental use unless the dwelling is the primary residence of the operator. Short-term vacation rentals permitted to operate in the Commercial-Downtown, Commercial-General, or Commercial-Visitor Serving Zoning District pursuant to subsection (a)(i) or (a)(iii) are exempt from this primary residence requirement.

c. Maximum Number of Rental Nights. An unhosted short-term vacation rental shall be operated no more than ~~sixty-one hundred and twenty (60120)~~ nights per calendar year. There are no rental night limitations for hosted short-term vacation rentals.

i. An unhosted short-term vacation rental is defined as a short-term vacation rental use where a primary resident is not present during the course of the rental.

ii. A hosted short-term vacation rental is defined as a short-term vacation rental use where a primary resident, who is the operator and acting as a host, occupies one or more bedrooms in a dwelling unit while other areas of the unit are rented for the purpose of transient overnight lodging.

d. Maximum Number of Short-Term Vacation Rentals per Operator. The maximum number of short-term vacation rentals per operator within the city limits is one.

e. Maximum Number of Short-Term Vacation Rentals per Site. The maximum number of short-term vacation rentals is one per assessor's parcel number, one short-term vacation rental per residential condominium dwelling unit, or one short-term vacation rental per site developed with a duplex or triplex. An operator may register different areas of a site for use as a short-term vacation rental, but only one short-term vacation rental may be operated at a time.

f. Maximum Number of Rental Agreements. Only one rental agreement may be in effect for a short-term vacation rental at any one time.

g. Responsible Party. For hosted short-term vacation rentals, the operator shall be the host and the responsible party. For unhosted short term-term vacation rentals, the responsible party may be the property owner, operator, or the operator's agent. In all cases, the responsible party shall be a local contact person; who shall meet all of the following minimum qualifications:

i. Be available twenty-four hours per day and seven days per week when the short-term vacation rental is in operation; and

ii. Be accessible and able to respond in person at the short-term vacation rental within a reasonable time (approximately twenty (20) minutes) to any complaint regarding the condition, operation, or conduct of occupants of the dwelling; and

iii. Be responsive to take remedial action necessary to resolve any violations of the requirements of this section.

h. Maximum Overnight Occupancy. Overnight occupancy for short-term vacation rentals shall be limited to a maximum of up to two (2) persons per bedroom, ~~up to a total of eight (8) occupants.~~ For a hosted short-term vacation rental, the bedroom(s) occupied by the host shall not be used in determining the maximum overnight occupancy for guests.

i. Record Keeping. The operator shall retain records documenting the compliance with this section for a period of three (3) years after any short-term vacation rental, including, but not limited to, records indicating the history of all short-term vacation rental reservations on the subject property from the hosting platform or otherwise, records indicating the payment of any and all transient occupancy taxes, length of stay per reservation, and number of persons per reservation. Upon reasonable notice, the operator shall provide any such documentation to the City.

6. Performance Standards. There shall be no interior or exterior activity related to the short-term vacation rental that interferes with or is detrimental to residential use of adjacent property. The following performance standards apply to short-term vacation rentals:

a. Notification of City Registration. The operator shall ensure that all advertising, including, but not limited to, in any written publication or on any online website, or any other medium that lists or offers the availability or existence of the short-term vacation rental property, includes the city-issued short-term vacation rental registration number.

b. Notification of City Requirements. The operator shall prepare a manual of City requirements and standards for short-term vacation rentals. The operator shall provide the manual to all guests in conjunction with any booking as well as prominently displayed in the short-term vacation rental. The manual shall include the contact information for the responsible party and standard language available from the community development director.

c. No Visibility. The existence of a short-term vacation rental shall not be apparent beyond the boundaries of the site, and no short-term vacation rental shall involve the use of a sign, nor the display of products visible from the street.

d. Traffic. A short-term vacation rental shall not create pedestrian, automobile, or truck traffic detrimental to property in the vicinity or neighborhood parking impacts. The property address shall be clearly marked.

e. Parking. ~~The maximum number of vehicles allowed overnight at the~~ Parking for short-term vacation rental users shall be provided at a rate of at least one off-street parking space per bedroom, which shall be dedicated and available to guests during the period of the rental. ~~limited to one (1) vehicle per one-bedroom unit, two (2) vehicles per two- or three-bedroom unit, and one (1) additional vehicle for four or more bedrooms. On-site parking spaces shall be provided for at least fifty percent of the maximum allowed number of vehicles (half spaces shall be rounded up).~~ No vehicles shall be used for overnight occupancy. Parking exceptions may be considered by the planning commission subject to Section 18.36.085; provided that the planning commission shall consider whether a prior parking exception was previously granted for the property. In the Commercial-Downtown zoning district, exceptions must also comply with Section 18.07.045.

f. Noise Limits. All short-term vacation rental use shall be required to follow the following standards set forth in Chapter 9.23.

g. Building and Fire Codes. All properties on which short-term vacation rental use is occurring shall remain compliant with all applicable building and fire codes.

h. State and Local Laws and Orders. All short-term vacation rental use shall comply with all applicable state and local laws and orders, including any public health order.

i. Special Events. Short-term vacation rentals shall not be concurrently used for any commercial purpose (such as a corporate retreat or conference) or any event that is likely to result in a violation of traffic, parking, noise, or other standards regulating the residential use and character of the neighborhood. Such events include most weddings, concerts, and parties. Home occupations conducted by the primary resident compliant with Section 18.06.025 (F) are allowed provided that parking and all other requirements for both the short-term vacation rental and the home occupation are met.

j. Trash and Recycling Management. Short-term vacation rental use shall comply with trash and recycling requirements and scheduled solid waste pick-up days at least once per week. Trash and recycling containers shall be located to be readily accessible for servicing, but shall not be placed within the limits of any street, road, avenue, way, alley, public place or any other places as to constitute a nuisance.

~~7. Non Priority Use. Short term vacation rentals shall not be considered Coastal Act Priority Uses, as that term is defined in the Local Coastal Land Use Plan.~~

87. Hosting Platform Regulations.

a. Record Keeping. Hosting platforms shall retain records documenting the compliance with this section for a period of three (3) years after any short-term vacation rental, including, but not limited to, records indicating the history of all short-term vacation rental reservations on the subject property from the hosting platform, the payment of any and all transient occupancy taxes (including via a hosting platform on behalf of a host), the length of stay per reservation, and the number of persons per reservation.

b. Registration Required for Platform Listings. Hosting platforms shall be required to prompt hosts to include the City-issued registration number in their listing(s), in a format designated by the City. Upon notice from the City that a listing is non-compliant, hosting platforms shall cease any short-term vacation rental booking transactions for said listing(s) within five business days. A hosting platform shall not complete any booking transaction for any residential property or unit subject to a City notice, until notified by the City that the residential property or unit is in compliance with the local registration requirement.

c. Safe Harbor. A hosting platform operating exclusively on the Internet, which operates in compliance with subsections (a) and (b) shall be presumed to be in compliance with this Chapter.

d. The provisions of this section shall be interpreted in accordance with otherwise applicable State and Federal law(s) and will not apply if determined by the City to be in violation of, or preempted by, any such law(s).

98. Revocation.

a. Revocation of registration. A short-term vacation rental registration may be revoked for the following reasons:

i. That the registration was obtained by misrepresentation, false statement or fraud;

ii. That the short-term vacation rental activity is being conducted in violation of local or state law;

iii. That two (2) violations of ~~the Section 18.06.025 (G)Municipal Code~~ have occurred on the property on which the short-term vacation rental is located within the preceding twelve (12) months;

iv. That the short-term vacation rental activity has caused or is causing a serious threat to human health or public safety; or

v. That consent to an inspection is not provided.

vi. As used in this Section 18.06.025 (G), the term “violation” shall mean any violation of the ~~Section 18.06.025 (G)Municipal Code~~, as evidenced by a City-issued citation, unresolved notice of violation, unresolved cease-and-desist order, or other appropriate documentation. Each unique violation of ~~Section 18.06.025 (G)the Municipal Code~~ shall constitute one (1) violation.

b. Process: In any case where substantial evidence indicates that the conditions in subsection (a) exist, revocation proceedings shall occur as follows:

i. The City Manager or his or her designee may issue either a notice of pending revocation or a notice of suspension pending revocation, the latter of which shall require immediate suspension of all short-term vacation rental activity pending a final determination regarding revocation. Any notice of suspension shall explain why the short-term vacation rental activity presents an immediate, serious threat to human health or public safety. The notice shall detail the grounds for potential revocation of the permit and allow thirty calendar (30) days for submission of a written statement and/or supporting documentation disputing such grounds.

ii. The City Manager’s or his or her designee’s determination shall be made not more than thirty calendar (30) days after the deadline for submittal of documentation provided on the notice.

iii. All notices and determinations shall be mailed to the operator, the property owner (if applicable), and the responsible party (if applicable).

iv. The community development director is authorized to issue administrative guidelines to further define procedures for making revocation determinations.

c. Appeals: If the registration is revoked, the operator shall have the right to appeal the decision as follows:

i. The appellant must file a notice of appeal with the City Clerk within fourteen (14) calendar days of the date of the revocation decision.

ii. The matter shall be scheduled for hearing before an independent hearing officer selected by the City Manager or his or her designee no more than thirty (30) calendar days from the receipt of the appeal.

iii. The appellant shall be served with notice of the time and place of hearing, as well as any relevant materials, at least seven calendar days prior to the hearing.

iv. The hearing may be continued from time to time upon mutual consent. At the time of the hearing, the appealing party and the City Manager or his or her designee may present such relevant evidence as he or she may have relating to the determination from which the appeal is taken.

v. Based upon the submission of such evidence and the review of the city's files, the hearing officer shall issue a written notice and order upholding, modifying or reversing the determination from which the appeal is taken. The notice shall be given within a reasonable time after the conclusion of the hearing and shall state the reasons for the decision. The notice shall be mailed to appellant, and if different from the appellant, the operator, the property owner, and the responsible party (if applicable). The notice shall specify that the decision is final and subject only to judicial review in accordance with law.

~~109.~~ Violations. Violations of the provisions of this ~~chapter section, or other city requirements~~ shall be enforced according to Title 4 of the Municipal Code. ~~Nothing in Chapter 18.06.025 limits the City's authority to enforce violations of the Municipal Code pursuant to Title 4 of the Municipal Code.~~

~~110.~~ Existing Short-Term Vacation Rentals.

a. Short-term vacation rentals in operation for at least three (3) months at the time of the effective date of this ordinance and ~~in compliance with all previously existing City regulations, including with proof of payment of all applicable payment of transient occupancy taxes ("Existing STVRs")~~, shall have six (6) months from the effective date of this Ordinance to register. For approved unhosted short-term vacation rental operations, the annual calendar during which up to ~~sixty one hundred and twenty (12060)~~ days of unhosted operations may occur commences on the date of registration issuance.

b. ~~A short-term vacation rental is exempt from the primary residence requirement and is limited to one hundred and eighty (180) unhosted short-term vacation rental nights per calendar year if all of the following conditions are met:~~

~~i. The short-term vacation rental was in operation and registered with the City as of October 14, 2022.~~

~~ii. The short-term vacation rental has paid all applicable transient occupancy tax owed between October 14, 2022 and the date of registration.~~

~~iii. The short-term vacation rental is within a single-family or residential condominium unit. No accessory dwelling units qualify for this exemption. Existing STVRs shall have one (1) year from the effective~~

date of this Ordinance to come into compliance with the primary residence requirement.

c. The exemption and modification provided in Section 18.06.025 (G)(10)(b) shall no longer be valid for a property if ownership of the property is transferred, if short-term vacation rental use is discontinued for ~~Discontinued use for six (6)~~ twelve (12) or more months, or if the short-term vacation rental registration is revoked for an Existing STVR shall result in disqualification from these provisions.

GH. Parking Areas. Surfaced parking areas to support commercial uses adjacent to residential districts may be approved by use permit. Any such support parking area shall be subject to review and recommendations by any city council appointed advisory committee or commission prior to consideration by the planning commission of a use permit application.

HJ. Swimming Schools. Swimming schools may be approved by use permit in R-1 and R-2 districts on sites having a minimum of six thousand square feet.

IJ. Commercial Filming. Commercial filming is permitted in all residential districts upon securing all necessary permits and licenses required by this code.

JK. Personal Property Sales. Personal property sales such as garage sales are limited to a maximum of three weekends per calendar year for each site in the R-1 districts and per dwelling unit in the R-2 and R-3 districts.

KL. Construction Trailer. For purposes of this section, a construction trailer is defined as a mobile or temporary office facility for the use of the contractor during the construction of a residential structure or structures. The construction trailer shall be removed from the site within ten days of issuance of a certificate of occupancy or the final building inspection, whichever occurs first. The construction trailer may be converted to a sales office upon approval of a use permit in each case.

LM. Large family day care is allowed incidental to a residential use in all residential zoning districts subject to a determination by the community development director that the large family day care conforms to all of the following:

1. Concentration of Uses. No more than one large family day care shall be permitted within three hundred linear feet of the property line of any existing large family day care.
2. Parking. On-site parking beyond that required for the residential use shall not be required.
3. Passenger Loading. In addition to available on-street loading, a minimum of one passenger loading space shall be provided on the site during pick-up and drop-off periods.

4. Noise. Operation of a large family day care shall conform to the noise limitations of Chapter 9.23.
5. Screening of Outdoor Play Areas. A solid fence in conformance with the requirements of this chapter shall be provided to screen outdoor play areas located in the rear yard.
6. Residency. The operator of a large family day care must be a full-time resident of the dwelling unit in which the day care is located.
7. Garage. No portion of a garage providing “required” parking shall be utilized for the day care.
8. Fire and Building Code Requirements. Large family day care shall conform to the requirements of the State Fire Marshall.
9. State and Other Licensing. Large family day care shall be state licensed and operated according to all applicable state and local regulations.

Chapter 18.02 Definitions

Section 18.02.040 Definitions

The following definitions shall be inserted in alphabetical order:

“Hosting Platform” means a person, legal entity, or an association of individuals that provide a means, which may or may not be internet-based, through which a short-term vacation rental is offered to the public, in exchange for a fee or other compensation. A hosting platform generally has the following attributes: allows a host to advertise a short-term vacation rental, and provides a means to arrange and enter into agreements to occupy short-term vacation rentals, whether payment of rent is made directly to the host or through the hosting platform.

“Primary residence” means residential property at which a person resides a majority of the time, carries on basic living activities, and the place he or she usually returns to, in the event of travel. Evidence, such as motor vehicle registration, voter registration, a homeowner’s exemption on the property tax bill, long-term lease of the residential property, or other similar documentation, may be required by the City to determine whether the property is the primary residence. For a renter-occupied property, a long-term tenant must have resided for a majority of time on the property for at least two years prior to initiating short-term vacation rental use.

“Short-term vacation rental” means a residential or mixed-use property that contains a dwelling unit or habitable portion thereof that is offered for hire for transient occupancy for periods of thirty days or less as a use that is incidental to the principal residential use of a dwelling unit or property. Non-permanent housing such as for seasonal farmworker housing and short-term boarding for researchers and others employed or otherwise affiliated with agricultural uses are not short-term transient lodging vacation rental facilities.

Chapter 18.06 Residential Land Use (R-1, R-2, R-3)

Section 18.06.020 Schedule of Uses.

Table A-4 is amended as follows:

Table A-4

SCHEDULE OF ACCESSORY USES

Accessory Uses	Allowed by Zoning	With a Use Permit	Additional Regulations
Accessory dwelling units	All R		
<u>Home occupation</u>	<u>All R</u>		
<u>Short-term vacation rental</u>	<u>All R</u>		

Chapter 18.07 Commercial Land Use (C-D, C-R)

Section 18.07.020 Permitted Uses.

Table 18.07.020E is amended as follows:

Table 18.07.020E

ACCESSORY USES

C-D Commercial-downtown zoning district

C-R Commercial-residential zoning district

C-D (Heritage Main Street) commercial-downtown zoning district–Main Street between Pilarcitos Creek and Correas Street, first fifty feet of frontage depth on ground floor

OK = Allowed without permit

UP = Use permit required

NO = Not allowed

UPCC = Use permit required under certain circumstances

CDD = Requires community development director determination if use qualifies as active ground-floor dependent use or as ancillary to a permitted use

Key	Accessory Uses	C-D Zoning	C-R Zoning	C-D Heritage Main Street
E-1	Accessory Use or Structure	OK	OK	CDD
E-2	Accessory Dwelling Unit	OK	OK	OK
E-3	Mixed Commercial and Residential	UP	UP	OK
<u>E-4</u>	<u>Home Occupation</u>	<u>OK</u>	<u>OK</u>	<u>NO</u>
<u>E-5</u>	<u>Short-Term Vacation Rental</u>	<u>OK</u>	<u>OK</u>	<u>NO</u>

Section 18.07.025 Use regulations.

Subsection E is amended as follows:

E. Accessory Uses.

E-1 Accessory Use or Structure. Accessory uses and structures are permitted when they are incidental to the principal permitted or conditionally permitted use or structure on a site and are customarily found on the same site. Accessory uses to a residential use would include home occupations and garage sales. Accessory uses for retail or office uses would include storage incidental to a permitted use. Accessory structures such as garages or storage and maintenance sheds are permitted. For uses in the first fifty feet of frontage depth on the ground floor of Heritage Main Street, accessory uses or structures shall be ancillary to a permitted use on Heritage Main Street.

E-2 Accessory Dwelling Unit. No additional regulations specified.

E-3 Mixed Commercial and Residential. No additional regulations specified.

E-4 Home Occupation. Home occupations are allowed subject to the requirements of Section 18.06.025 (F).

E-5 Short Term Vacation Rentals. Short-Term Vacation Rentals are allowed subject to the requirements of Section 18.06.025 (G).

Chapter 18.08 Commercial Land Use (C-VS, C-G)

Section 18.08.020 Permitted Uses.

Table 18.08.020E is amended as follows:

Table 18.08.020E

ACCESSORY USES

C-VS Visitor-serving commercial zoning district

C-G General commercial zoning district

OK = Allowed without permit

UP = Use permit required

NO = Not allowed

UPCC = Use permit required under certain circumstances

Key	Accessory Uses	C-VS Zoning	C-G Zoning
E-1	Accessory Use or Structure	OK	OK
E-2	Accessory Dwelling Unit	OK	OK
E-3	Mixed Commercial and Residential	UP	OK
<u>E-4</u>	<u>Home Occupations</u>	<u>OK</u>	<u>OK</u>
<u>E-5</u>	<u>Short-Term Vacation Rentals</u>	<u>OK</u>	<u>OK</u>

Section 18.08.025 Use regulations.

Subsection E is amended as follows:

E. Accessory Uses.

E-1 Accessory Use or Structure. Accessory uses and structures are permitted when they are incidental to the principal permitted or conditionally permitted use or structure on a site and are customarily found on the same site. Accessory uses to a residential use would include home occupations and garage sales. Accessory uses for retail or office uses would include storage incidental to a permitted use. Accessory structures such as garages or storage and maintenance sheds are permitted.

E-2 Accessory Dwelling Unit. No additional regulations specified.

E-3 Mixed Commercial and Residential. No residential uses are permitted as part of mixed-use development in the C-VS district unless ancillary to a permitted use and upon the approval of a use permit in each case. In the C-G district, no additional regulations specified.

E-4 Home Occupation. Home occupations are allowed subject to the requirements of Section 18.06.025 (F).

E-5 Short Term Vacation Rentals. Short-Term Vacation Rentals are allowed subject to the requirements of Section 18.06.025 (G).

Chapter 18.15 Planned Development Land Use (PUD)

18.15.025 Permitted land uses.

Only the following uses shall be permitted on any site within a planned unit development district:

A. Uses Consistent with the General Plan, Adopted Planned Unit Development Plan, Specific Plan or Precise Plan. Permitted uses, densities, and intensities shall be consistent with those established in the land use plan, general plan or an approved planned unit development plan or specific plan, for the site.

B. Continuation of Existing Uses. The continuation of an existing land use prior to the adoption of a planned unit development plan as provided for in this chapter may be incorporated into the overall development plan if the existing use is consistent with the general plan and this chapter, or the existing use shall terminate in accordance with a specific abatement schedule approved as a part of a planned unit development plan for the site.

C. Interim or Temporary Uses. Interim or temporary uses and structures when approved by the community development director or the planning commission when consistent with the general plan and will not impact the health, safety, and general welfare of persons working or residing in the vicinity of the proposed temporary use or building, and any other ordinances or policies of the city, subject to the following conditions:

1. Temporary Uses and Structures Not to Exceed Ninety Days. The community development director may authorize the temporary use of structures and land in any planned unit development district for a period of time not to exceed ninety days. Prior to taking action on a request for temporary uses and/or structures, the community development director shall inform the planning commission and any other party requesting such information of the request. The action of the community development director may be appealed pursuant to the provisions of Section 18.22.200.

2. Temporary Uses and Structures in Excess of Ninety Days. The planning commission may authorize the temporary use of structures or land in any planned unit development district for periods of time in excess of ninety days, subject to the review and approval of a use permit in each case. In approving a use permit for the temporary use of structures or land, the planning commission may impose whatever conditions deemed necessary to assure that the purpose and intent of the general plan and this chapter are carried out. The use permit shall establish a specific point in time when the temporary use is to be terminated and the site restored. The planning commission may authorize additional extensions of time for temporary use permits at a duly noticed public hearing.

D. Home Occupations. Home occupations are allowed subject to the requirements of Section 18.06.025 (F).

E. Short Term Vacation Rentals. Short-Term Vacation Rentals are allowed subject to the requirements of Section 18.06.025 (G).

Chapter 18.16 Dykstra Ranch

18.16.025 Permitted uses.

The following uses are permitted within the Dykstra Ranch planned unit development:

- A. Single-family residences on separate lots;
- B. Accessory uses which are directly related to and incidental to the primary residential use of the property, including but not limited to living quarters for persons employed as service to the residents;
- C. Public parks and recreational facilities as shown on the Dykstra Ranch planned unit development plan;
- D. Private parks and open space as shown on the Dykstra Ranch planned unit development plan;
- E. Community centers, tennis courts, and other private recreational facilities owned and operated by the homeowners association for the use and enjoyment of the residents;
- F. Public utility structures and facilities required for the service of the development;
- G. Temporary sales centers, construction yards and structures, signs and other facilities required for the development and marketing of the property. All signs and any temporary structures or construction yard sites intended to exist for more than one year shall be subject to the approval of the community development director;
- H. Home occupations are allowed subject to the requirements of Section 18.06.025 (F).
- I. Short-Term Vacation Rentals are allowed subject to the requirements of Section 18.06.025 (G).
- JH. Other uses which in the opinion of the community development director are consistent with the intent and purpose of this planned unit development plan.

18.16.030 Prohibited uses.

Any retail, office, or commercial activity or use is prohibited in the Dykstra Ranch planned unit development, ~~including any home occupation that would require deliveries to the residence, or any employees, patrons, visitors to the residence with the express intent of participating in the business activity.~~

Chapter 3.12 Transient Occupancy Tax

Section 3.12.020 Definitions

Subsection A is amended as follows:

A. "Hotel" means any structure or facility, or any portion of any structure or facility, which is occupied or intended or designed for occupancy by transients for dwelling, lodging or sleeping purposes, and includes any hotel, inn, tourist home or house (including any short-term vacation rental), 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, campground or other similar structure or facility, or portion thereof, wherein overnight accommodations are offered for hire.

1584599.2

Short-Term Rentals (STRs) in Half Moon Bay Responses to October 14, 2022 Coastal Commission Data Request

Population and Housing

Population and housing trends inform the City’s development of STR regulations. Census data shows Half Moon Bay’s population plateauing over the past two decades, despite the hundreds of new residences that have been built. The number of vacant housing units has increased over the same time period. Household size characteristics have been changing as well, with a reduction from 2.75 persons per household in 2000 to 2.58 persons per household in 2020. Reduced household occupancy, however, does not account for the leveling of the population (reduced by 47 from 2000 to 2020) against the backdrop of more than 700 housing units constructed over the same period. This data strongly suggests that housing stock is coming out of residential use.

Year	Population	Housing Units	Vacant Housing Units
2000	11,842	4,114	110
2010	11,324	4,395	246
2020	11,795	4,833	264

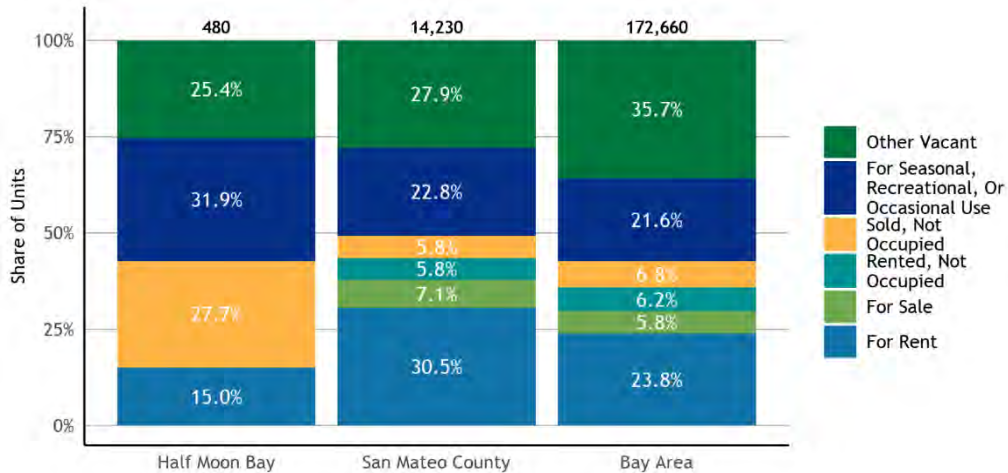
Source: 2000, 2010, 2020 US Decennial Census Data

Property Vacancies and Ownership Trends

Vacancies: Vacant units make up about 9.0% of the overall housing stock in Half Moon Bay (American Community Survey (ACS), 2015-2019). Of the vacant units, the most common type of vacancy was “For Seasonal, Recreational, Or Occasional Use.” The Census Bureau classifies a unit as vacant if no one is occupying it when census interviewers are conducting the ACS or Decennial Census. Vacant units classified as “for recreational or occasional use” are those that are held for short-term periods of use throughout the year. Accordingly, STRs without a primary resident would most likely fall in this category. Note that the ACS data presented in the bar chart below indicates that there were about 154 units in the “For Seasonal, Recreational, Or Occasional Use” category. That is double the number of vacant units reported to be available to long term renters, who are being driven out of town because there is no housing for them to rent.

The Census Bureau classifies units as “other vacant” if they are vacant due to foreclosure, personal/family reasons, legal proceedings, repairs/renovations, abandonment, preparation for being rented or sold, or vacant for an extended absence for reasons such as a work assignment, military duty, or incarceration. In a region with a constrained and high-cost housing market, units being renovated/repared and prepared for rental or sale likely represent a portion of the “other vacant” category. This is reasonable from City staff perspective based on building permit activity. The “Sold Not Occupied” category may also indicate a variety of circumstances including renovations prior to move in as well as corporate ownership, which is increasing, leading to full time STR use and loss of housing stock.

In the following bar charts, it is notable that Half Moon Bay, in comparison to San Mateo County and the Bay Area, has relatively more “For Seasonal, Recreation, Or Occasional Use” vacancies, *no* “Rented, Not Occupied” units, and relatively far fewer units “For Rent.” “For Seasonal, Recreation, Or Occasional Use” is squeezing out units available “For Rent.”



Vacant Units by Type

Source: U.S. Census Bureau, American Community Survey 5-Year Data (2015-2019)

Prior to the October 14, 2022 Coastal Commission hearing, Zillow listed only 7 units for rent in Half Moon Bay. On October 28, 2022, 13 were posted; on December 2, 2022, 12 were posted. It is difficult to reconcile the limited number of rental listings with the data showing that 1.35% of the housing stock is “vacant for rent” (of the 9% of the housing stock that is vacant, 15% is for rent; 9% x 15% = 1.35%). The ACS data from 2015-2019 suggests that there would have been about 70 units available for rent on average over that time period. Information available to City staff indicates this number is inaccurate.

Ownership Trends: The City reviewed single-family property sales from 2017 – 2022 and found that a significant number of homes are being purchased by owners who do not identify the property as their primary residence, including out-of-state and LLC owners. Note that 2022 sales data will not be complete for several months. Some of these sales coincide with properties being operated as STRs full-time. Others are likely second homes. Some may not have updated owner addresses; however, that is unlikely for any of them purchased prior to this year because this is tax assessor data, ownership address information will be updated at least annually for property tax billing purposes.

Year	Residential Sales	Out of Area or Corporate Owner	% Out of Area or Corporate Owner
2017	125	26	21%
2018	129	20	16%
2019	109	15	14%
2020	137	33	24%
2021	135	36	27%
2022 part	73	13	18%

Half Moon Bay's STR Inventory

The City estimates that there are currently 64 active STRs operating within the City limits. The basis for the list starts with 46 STRs that are in the City's "registration" records (e.g. on file with the City to pay TOT and maintain a business license, although not all registered operators are in good standing for both of these requirements). Understanding that there are numerous operators that have not registered directly with the City, host sites were carefully reviewed. Sources were checked against the City's registered listings and each other. The final tallies do not include duplicate listings, units outside city limits, inns or bed and breakfast accommodations or STRs with unapproved occupancies (e.g. those that are in violation of the City's certified accessory dwelling unit ordinance or other unpermitted development, etc.).

The following hosting/listing sites were accessed October 2022 to help establish the list of active STRs. and are summarized in the following table:

Hosting/Listing Site	Total Mapped within City limits	Adjusted Total	Notes about adjusted total:
AirBnB	78	66	Removed listings for inns, duplicates, and out of city limits
VRBO	33	25	Removed listings for duplicates and out of city limits (no inns were listed on VRBO)
AirDNA	82	68	Removed listings for inns, duplicates, and out of city limits

AirDNA presents the number of listings using both AirBnB and VRBO. This was used as a crosscheck of City records and the AirBnB and VRBO listings to ensure STRs are not double counted. AirDNA's unadjusted total of 82 listings is comprised of 21 listings using both AirBnB and VRBO as a platform, 51 listings using only AirBnB, and 10 listings using only VRBO. Adjusting this down to eliminate inns and bed and breakfasts and incorrectly mapped listings (that are actually outside the City limits) results in about 68 unique listings.

In some cases, it was difficult to discern if listings are presented twice because different descriptions and photos may be used for the same STR in two or more separate listings. Addresses are often not provided. Mapped locations may also be vague. In such cases, City staff worked to pinpoint each operator by matching listing photographs to aerial maps, City permit records, and field confirmation. These were eliminated to the extent they could be confirmed. This is the most likely reason for the difference between the City's list of 64 unique STRs and the AirDNA posting of 68 STRs adjusted as noted above. In five cases, two STRs appear to be operated from the same property. The City's proposed ordinance, like most ordinances, would allow only one STR per property. Thus, the number of STRs that could be expected to go forward under the City's new ordinance for existing, legal operations is 59.

STR Rates and Primary Residence Considerations

The City has prepared a detailed list of all current STR operations, attached. Many STRs are registered with the City (46). Approximately 5 of these operations will not be able to continue due to various factors not related to primary residence, for a total of 59 STRs that may seek to continue operations under a new ordinance. The STRs are presented by neighborhood, zoning district, and nightly rates for specified dates for those that are currently advertising. The City's proposed ordinance exempts the mixed-use districts from the primary residence requirement, and these listings are highlighted because the primary residence policy consideration would not impact any of these STRs.

Considerations for Continuance of STRs without Primary Residence

The City has offered a compromise modification to allow continuance of STRs operating in good standing that do not have primary residence. The determination of “good standing” can be made based on various criteria. The City suggests considering the following categories of compliance status as a guide with a table presenting the City’s best estimate of the number of STRs in each category.

Registered + Business License: *Fully compliant* with current requirements; registered with the City, has a Business License, paying TOT through self-report or Airbnb. This category represents the “high bar” that the City supports for allowing continuance without primary residence because these STRs have been operating in full compliance with City requirements. This category includes 3 STRs with mixed-use zoning and would not require primary residency under the City’s proposed ordinance. It is estimated that **11 STRs** without primary residence could continue if this category were to represent “good standing.”

Registered: *Mostly compliant* with current requirements; registered with the City, no Business License, paying TOT through self-report or Airbnb. This category represents the “middle ground” that the City could support for allowing continuance without primary residence. These STRs have a relationship with the City and have been paying TOT. They do not have Business Licenses, but this could be more easily remedied than most other noncompliant matters. It is estimated that **18 STRs** without primary residence could continue if this category were to represent “good standing.” This is the level of compliance included in the draft ordinance language provided along with this summary.

Paying TOT: *Minimally compliant* with current requirements; not registered with the City, no Business License, but paying TOT through self-report or Airbnb. This category represents the “low bar” of what the City may support for allowing continuance without primary residence. These STRs have avoided registration with the City, yet are paying TOT, which demonstrates a level of compliance. It is estimated that **25 STRs** without primary residence could continue if this category were to represent “good standing.”

Noncompliant: *Noncompliant* with current requirements; not registered with the City, no Business License, not paying TOT through self-report or a hosting platform. Of the five STRs in this category, two have mixed-use zoning which does not require primary residency under the City’s proposed ordinance; two are duplex units which are specifically meant to be protected for housing stock. Other than for the STRs in mixed-use zones, the City does not support allowing continuance without primary residence for such noncompliant STRs having unsuccessfully tried to bring these operators into compliance.

Compliance Status Categories	# STRs by Category	Primary Residence*	Non-Primary Residence*
Registered + Business License	25	14	11
Registered	16	9	7
Paying TOT	13	6	7
Noncompliant	5	1	4
Total	59	30	29

**Primary/Non-Primary Residence determination is City staff’s best assessment for each STR. Considerations include if property owner’s address is the same as the site address; if the STR is offered as “whole house;” if the STR appears from listings to be hosted/unhosted; and/or local knowledge.*

This continuance evaluation is only relevant to primary residence. If there are other aspects of the operation that do not comply with the other proposed regulations, they may not be able to continue regardless of the primary residence requirement.

Transient Occupancy Tax (TOT):

The bar chart on the next page presents annual TOT revenues by quarter collected by the City since Half Moon Bay started to collect TOT from STRs in 2017.

Source: HdL Companies on contract to the City of Half Moon Bay.

Quarters:

- Q1: January 1 – March 31 - Winter
- Q2: April 1 – June 30 - Spring
- Q3: July 1 – September 30 - Summer
- Q4: October 1 – December 31 - Fall

TOT includes taxes from operators who have registered with the City, those that are paying through AirBnB that may or may not be registered with the City, and a few operators that self-report. The City does not have an agreement with other platforms such as VRBO. Highlights about the TOT data:

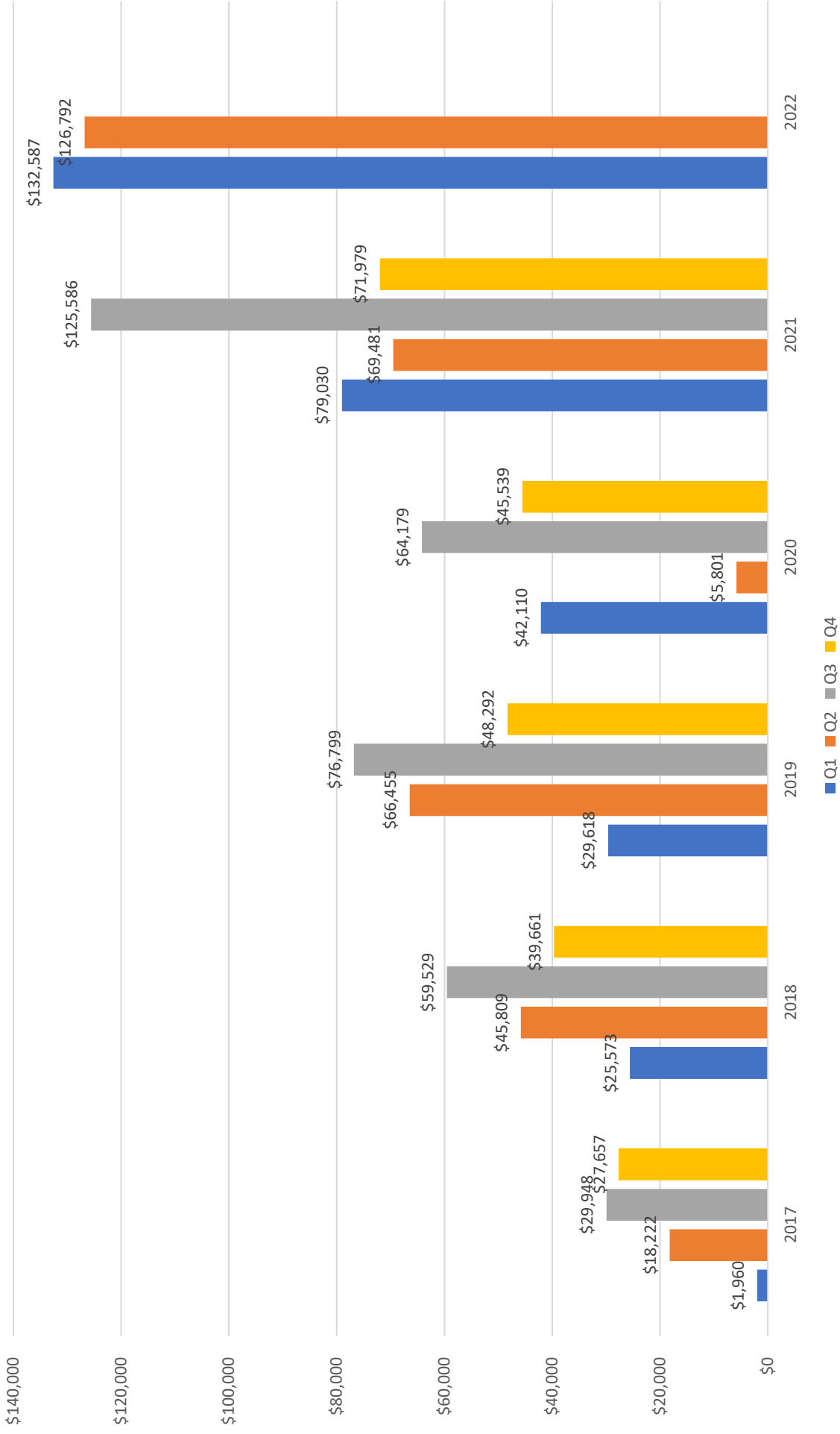
- 2017: First year of collection did not include the whole year and the City was just starting to establish listings of operators. TOT rate of 12%.
- 2018: Significant growth likely represents full year of TOT collection and improved data.
- 2019: Another significant increase, likely partially due to City's agreement with AirBnB whereby the hosting site conveys TOT to the City, even for those that have not registered with the City.
- 2020: Decreased activity during first year of the COVID pandemic, especially Q2.
- 2021: Recovery and significant growth following peak of the COVID pandemic. TOT increase also represents an increase in the City's TOT rate from 12% to 15% following the 2020 election.
- 2022: Continued growth. Includes TOT from the first two quarters of 2022.

Summary:

- The number of STR operators and the level of STR activity has grown significantly since 2017.
- The City dataset was interrupted by COVID and therefore does not cover enough time to really establish the peak season.
- Fall 2021 is notably active; and the first two quarters of 2022 (winter and spring) were the highest ever.
- City staff is aware from its on-going research of Half Moon Bay's STRs that at least a few are available every weekend, even during prime events such as Pumpkin Festival. From this knowledge, it appears that the existing inventory of STRs could accommodate more overnight stays than have been sought. The TOT data does not indicate that these accommodations are booked at full capacity.

ATTACHMENT 2

City Half Moon Bay - STR TOT by Quarter



**STR Operations in Half Moon Bay:
Preliminary Responses to October 14, 2022 Coastal Commission Data Request**

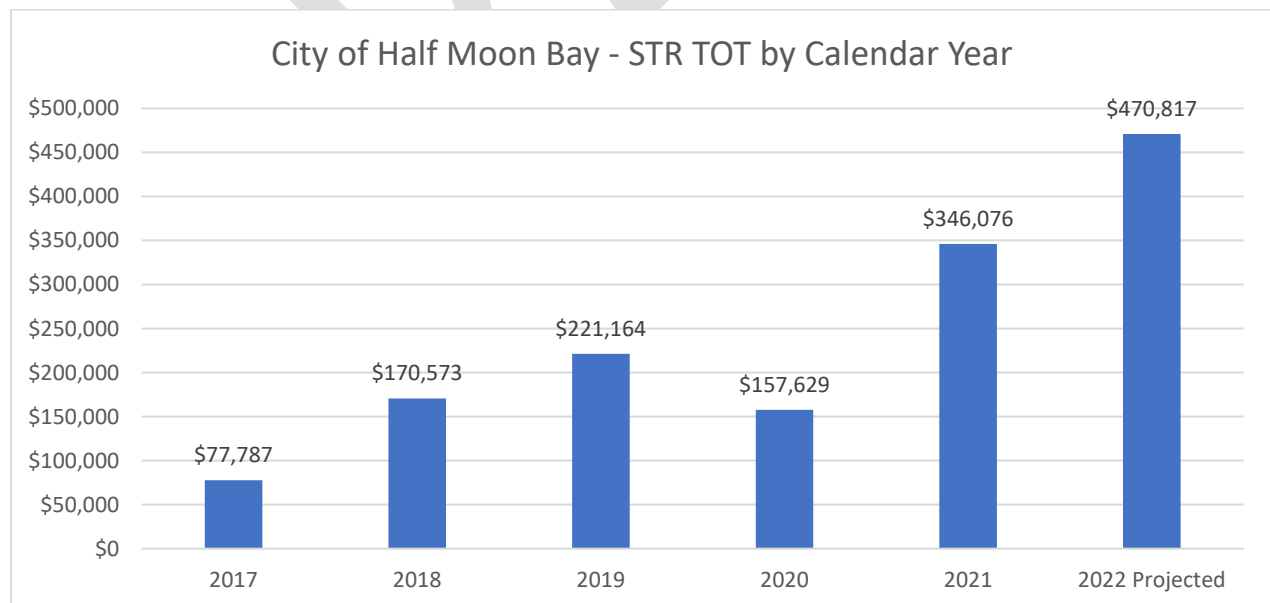
These materials are preliminary responses to the Coastal Commission’s request for additional information demonstrating trends in Half Moon Bay’s STR operations.

Transient Occupancy Tax (TOT):

The following bar chart presents annual TOT revenues to the City since Half Moon Bay started to collect TOT from STRs in 2017. TOT includes taxes from operators who have registered with the City, those that are paying through AirBnB that may or may not be registered with the City, and a few operators that self report. The City does not have an agreement with other platforms such as VRBO. Note the following:

- 2017: First year of collection did not include the whole year and the City was just starting to establish listings of operators. TOT rate of 12%.
- 2018: Significant growth likely represents full year of TOT collection and improved data.
- 2019: Another significant increase, likely partially due to City’s agreement with AirBnB whereby the hosting site conveys TOT to the City, even for those that have not registered with the City.
- 2020: Decreased activity during first year of the COVID pandemic.
- 2021: Recovery and significant growth following COVID pandemic. TOT increase also represents an increase in the City’s TOT rate from 12% to 15% following the 2020 election.
- 2022: Continued growth. 2022 includes TOT from the first three quarters of 2022 (\$351,609) plus estimated TOT for the fourth quarter, which projects the average activity level of the first three quarters for the remainder of the year.

Summary: The list of STR operators and the level of STR activity has grown significantly since 2017.



STRs in Half Moon Bay

The City estimates that there are currently 66 active STRs operating within the City limits. The basis for the list starts with 46 STRs that are in the City’s “registration” records (e.g. on file with the City to pay TOT and maintain a business license, although not all registered operators are in good standing for both of these requirements). Understanding that there are numerous operators that have not registered directly with the City, host sites were carefully reviewed. Sources were checked against the City’s registered listings and each other. The final tallies do not include duplicate listings; are confirmed to be located within the city limits; do not include inns or bed and breakfast accommodations; and do not include STRs with unapproved occupancies (e.g. those that are in violation of the City’s certified accessory dwelling unit ordinance or other unpermitted development, etc.).

The following hosting/listing sites were accessed October 2022 to help establish the list of active STRs. and are summarized in the following table:

Hosting/Listing Site	Total Mapped within City limits	Adjusted Total	Notes about adjusted total:
AirBnB	78	66	Removed listings for inns, duplicates, and out of city limits
VRBO	33	25	Removed listings for duplicates and out of city limits (no inns were listed on VRBO)
AirDNA	82	68	Removed listings for inns, duplicates, and out of city limits

AirDNA presents the number of listings using both AirBnB and VRBO. This was used as a crosscheck of City records and the AirBnB and VRBO listings to ensure STRs are not double counted. AirDNA’s unadjusted total of 82 listings is comprised of 21 listings using both AirBnB and VRBO as a platform, 51 listings using only AirBnB, and 10 listings using only VRBO. Adjusting this down to eliminate inns and bed and breakfasts and incorrectly mapped listings (that are actually outside the City limits) results in about 68 unique listings.

In some cases, it was difficult to discern if listings are presented twice because different descriptions and photos may be used for the same STR in two or more separate listings. Addresses are often not provided. Mapped locations may also be vague. In such cases, City staff pinpointed each operator by matching listing photographs to aerial maps, City permit records, and field confirmation. These were eliminated to the extent they could be confirmed. This is the most likely reason for the minor difference between the City’s list of 66 unique STRs and the AirDNA posting of 68 STRs adjusted as noted above.

Characteristics of Half Moon Bay’s STRs – Rates and Primary Residence Considerations

The City has prepared a detailed list of all current STR operations, attached. Many STRs are registered with the City (46), some are not, of which we are aware of 20. The STRs are presented by neighborhood, zoning district, and nightly rates for specified dates for those that are currently advertising. The City’s proposed ordinance exempts the mixed-use districts from the primary residence requirement, and these listings are highlighted because the primary residence policy consideration would not impact any of these STRs.

Date	Neighborhood	Rate Per night	Total w/Fees	Platform	Registered/Unregistered	Zoning
Dec. 23-26, 2022	Alsace	\$225.00	\$856.00	Airbnb	Unregistered	R-1
Dec. 23-26, 2022	Alsace	\$249.00	\$1,024.00	Airbnb	Unregistered	R-1
Feb. 17 - 19, 2023	Alsace	\$249.00	\$739.00	Airbnb	Unregistered	R-1
May 4 - 7, 2023	Alsace	\$322.00	\$1,215.00	Airbnb	Registered	R-1
May 4 - 7, 2023	Alsace	\$322.00	\$1,215.00	Airbnb	Registered	R-1
Dec. 23-26, 2022	Alsace	\$358.00	\$1,341.00	Airbnb	Registered	R-1
AirDNA rate, not currently listed	Alsace	\$411.00		Airbnb	Registered	R-1
Jan. 17 - 19, 2023	Alsace	\$450.00	\$1,301.00	Airbnb	Registered	R-1
Dec. 23-26, 2022	Alsace	\$998.00	\$3,759.00	Airbnb	Registered	R-1
Dec. 30 - Jan. 2, 2023	Alsace	\$1,530.00	\$5,694.00	Airbnb	Registered	R-1
City Records, not currently listed	Alsace			Airbnb	Registered	R-1
AirDNA rate, not currently listed	Arleta Park	\$110.00		Airbnb	Unregistered	R-1-B-2
Dec. 23-26, 2022	Arleta Park	\$115.00	\$439.00	Airbnb	Registered	R-2
Dec. 23-26, 2022	Arleta Park	\$196.00	\$729.00	Airbnb	Registered	R-1-B-1
Jan. 17 - 19, 2023	Arleta Park	\$200.00	\$656.00	Airbnb	Registered	R-1-B-1
Feb. 3 - 5, 2023	Arleta Park	\$210.00	\$593.00	Airbnb	Registered	R-1-B-1
Dec. 23-26, 2022	Arleta Park	\$225.00	\$839.00	Airbnb	Registered	R-2
Dec. 23-26, 2022	Arleta Park	\$267.00	\$970.00	Airbnb	Registered	R-1-B-1
Feb. 3 - 5, 2023	Arleta Park	\$275.00	\$827.00	Airbnb	Registered	R-1-B-1
Dec. 23-26, 2022	Arleta Park	\$280.00	\$1,049.00	VRBO	Unregistered	R-1-B-1
Nov. 11-13, 2022	Arleta Park	\$400.00	\$1,011.00	Airbnb	Unregistered	R-1-B-1
Nov. 11-13, 2022	Arleta Park	\$425.00	\$1,113.00	Airbnb	Registered	R-1
Dec. 30 - Jan. 2, 2023	Arleta Park	\$441.00	\$1,774.05	VRBO	Unregistered	R-2
Dec. 30 - Jan. 2, 2023	Arleta Park	\$455.00	\$1,802.00	Airbnb	Unregistered	R-2
Feb. 3 - 5, 2023	Arleta Park	\$500.00	\$1,341.00	Airbnb	Registered	R-2
Dec. 23-26, 2022	Arleta Park	\$975.00	\$3,509.00	Airbnb	Unregistered	R-2
City Records, not currently listed	Arleta Park				Registered	R-1
City Records, not currently listed	Arleta Park				Registered	R-1-B-1
City Records, not currently listed	Arleta Park				Registered	R-2
City Records, not currently listed	Arleta Park				Unregistered	R-2
City Records, not currently listed	Arleta Park				Unregistered	R-2
Feb. 3 - 12, 2023	Casa Del Mar	\$146.00	\$389.00	Airbnb	Registered	R-1-B-2
Nov. 11-13, 2022	Casa Del Mar	\$385.00	\$1,050	Airbnb	Registered	R-1-B-2
Jan. 17 - 19, 2023	Casa Del Mar	\$411.00	\$1,166.00	Airbnb	Unregistered	R-1-B-2

Dec. 23-26, 2022	Casa Del Mar		\$1,700.00	\$6,117.00	Airbnb	Registered	R-1-B-2
Nov. 11-13, 2022	Downtown - Heritage		\$124.00	\$316.00	Airbnb	Registered	R-2
City Records, not currently listed	Downtown - Heritage		\$285.00		Airbnb	Unregistered	C-R
Nov. 11-13, 2022	Downtown - Heritage		\$305.00	\$844.00	Airbnb	Registered	R-1-B-2
Nov. 11-13, 2022	Downtown - Heritage		\$320.00	\$900.00	Airbnb	Registered	R-1-B-2
City Records, not currently listed	Downtown - Heritage		\$350.00		Airbnb	Unregistered	C-R
Nov. 11-13, 2022	Downtown - Heritage		\$398.00	\$1,062.00	Airbnb	Registered	R-1-B-2
Jan. 17 - 19, 2023	Downtown - Heritage		\$400.00	\$1,090.00	Airbnb	Registered	C-D
City Records, not currently listed	Downtown - Heritage					Registered	C-D
City Records, not currently listed	Downtown - Heritage					Unregistered	C-D
City Records, not currently listed	Downtown - Heritage					Unregistered	R-3
Nov. 11-13, 2022	Downtown - North		\$225.00	\$703.00	VRBO	Unregistered	C-G
Nov. 11-13, 2022	Grand-Belleville		\$339.00	\$963.00	VRBO	Registered	R-1-B-2
Nov. 11-13, 2022	Grand-Belleville		\$462.00	\$1,258.00	Airbnb	Unregistered	R-1-B-2
AirDNA rate, not currently listed	Grandview		\$403.00		Airbnb	Unregistered	R-1-B-2
Jan. 17 - 19, 2023	Highland Park		\$685.00	\$1,889.00	VRBO	Registered	R-1-B-2
City Records, not currently listed	Matteucci				Airbnb	Registered	PUD
Dec. 30 - Jan. 2, 2023	Miramar		\$142.00	\$525.00	Airbnb	Registered	R-1-B-1
Feb. 3 - 5, 2023	Miramar		\$685.00	\$1,666.00	Airbnb	Registered	C-VS
Feb. 3 - 5, 2023	Miramar		\$685.00	\$1,666.00	Airbnb	Registered	C-VS
Dec. 23-26, 2022	Miramar		\$769.00	\$2,855.00	Airbnb	Registered	R-1
Dec. 23-26, 2022	Miramar		\$989.00	\$3,711.00	Airbnb	Registered	R-1
Dec. 23-26, 2022	Miramar		\$1,539.00	\$5,680.00	Airbnb	Registered	R-1
City Records, not currently listed	Miramar				Airbnb	Registered	R-1-B-1
Jan. 17 - 19, 2023	Ocean Colony		\$179.00	\$500.00	Airbnb	Unregistered	PUD
Dec. 30 - Jan. 2, 2023	Ocean Colony		\$183.00	\$685.00	Airbnb	Registered	PUD
Jan. 17 - 19, 2023	Ocean Colony		\$385.00	\$1,083.00	VRBO	Registered	PUD
AirDNA rate, not currently listed	Ocean Colony		\$995.00		Airbnb	Registered	PUD
Nov. 11-13, 2022	Ocean Colony		\$1,400.00	\$3,652.00	Airbnb	Registered	PUD
Nov. 11-13, 2022	Ocean Colony		\$1,495.00	\$3,812.00	Airbnb	Registered	PUD
Dec. 30 - Jan. 2, 2023	Ocean Colony		\$1,903.00	\$4,036.00	VRBO	Registered	PUD
City Records, not currently listed	Sea Haven				Airbnb	Registered	R-1-B-2

October 7, 2022

**Re: Agenda Item 8a: City of Half Moon Bay LCP Amendment Number LCP-2-HMB-21-0078-2
(Short term Rentals and Home Occupations)**

Dear Chair Brownsey and Members of the California Coastal Commission,

On behalf of the City of Half Moon Bay, I write regarding your consideration of a Local Coastal Program Implementation Plan amendment related to short-term rentals and home occupations within the City. The City appreciates your time and consideration of this important issue, and asks that you certify the ordinance as approved by the City Council. In the alternative, the City is willing to consider modifications to the proposed restrictions on unhosted nights, occupancy, and substandard lots, as detailed below in Section III. However, without the proposed primary residence requirement, which serves as the cornerstone of the City's regulatory framework, the City does not believe the ordinance would be consistent with its recently certified Land Use Plan or sufficiently protective of much-needed housing units.

I. The City Has Carefully Considered Regulation of Short-Term Rentals for the Past Four Years.

The City has been pursuing regulation of short-term rentals since 2018. Over this period, short-term rental use in the City has significantly fluctuated. The Staff Report states that there are "only 29 STRs currently registered and operating in the City" (Staff Report at 2; see also Staff Report at 16). While this was correct at a point in time earlier this year, during the off season, current data from the City's contractor indicates that up to 48 units are currently registered (See **Exhibit 1**). More importantly, this number does not reflect the number of units that are currently *operating*, but have not been brought into compliance and properly registered. For example, information from AirBnB lists at least 86 active units in City limits as of today's date, and City receipts of transient occupancy taxes are likewise increasing. Since 2018, at least 95 different units have been in operation at some point over that period. City staff has explained the context of these varying levels of activity, which are snapshots of the number of short-term rental businesses operating during a specified time period, such as a season or during the pandemic. It is unfortunate that the Staff Report relied solely upon one data point, erroneously suggesting that short-term rental activity is minimal, which may mislead the Commission about the importance of establishing reasonable regulations for this land use in Half Moon Bay. Absent a short-term rental ordinance, it is difficult to track short-term rental operations; additional short-term rentals have very likely operated and may be operating without being detected by the City's contractor who monitors short-term rental operations.

Efforts to ensure consistency with both the California Coastal Act and the City's Local Coastal Land Use Plan, which was comprehensively updated in October 2020 and certified by the Commission in April 2021, has driven the City's decisionmaking. Policy 2-76 provides direct guidance, stating in part that "short-term rental uses should be subordinate to primary residential uses *such that residential uses continue to be used for long-term residential occupancy.*" (emphasis added). Two other policies provide supplementary guidance: Policy 2-7 ("Safeguard existing housing stock so that it is preserved and used as full-time housing through the establishment of programs and ordinances.") and Policy 5-1 ("Provide maximum coastal access and recreational opportunities for all people . . ."). Consistency with these policies must also form the basis of the Commission's review (Staff Report at 2; Cal. Code Regs. tit. 14, § 13542).

Consequently, the City's short-term rental ordinance equitably balances these two important goals: preservation of housing stock and provision of coastal access. Its foundation is a primary residence requirement, which is the key mechanism that ensures the City's housing stock is preserved for long-term residential occupancy per Policy 2-76. At the same time, the ordinance allows for an unlimited number of short-term rentals throughout the City's residential neighborhoods, prioritizing the lower-cost visitor accommodations offered by hosted short-term rentals.

The City developed this ordinance through significant work over the past four years. The Planning Commission met six times to consider regulation of short-term rentals and the proposed ordinance, taking into consideration input from the public and short-term rental operators. The City also conducted an on-line citywide survey in 2019. In addition, City staff held frequent meetings with interested parties, regularly consulted with Coastal Commission staff, and considered trends in enforcement,¹ the housing market, and the Coastal Commission's regulation of short-term rentals in other jurisdictions. We believe that the ordinance that emerged from this process is well-balanced and necessary to protect both coastal access and housing stock.

II. The Proposed Ordinance Provides Coastal Access and Protects Needed Housing Units.

In preparing the proposed ordinance, the City recognized two key trends: that certain short-term rentals can provide an important source of coastal access and that short-term rentals often remove housing stock from long-term housing use. Consequently, the City developed a proposed ordinance that would allow short-term rentals throughout the City, but only in housing units also used for long-term housing. Thus, operators must provide evidence of "primary residence" – i.e., that the owner or tenant uses the unit for at least half of the year. In addition, the ordinance contains an array of requirements intended to address party houses and other nuisances, ease the enforcement burden on City staff, and ensure that short-term rental uses do not adversely affect Coastal Act protected and other natural resources. Importantly, however, the proposed ordinance does not rely on citywide or neighborhood caps,

¹ Recent data on complaints and enforcement is provided in **Exhibit 1**.

limits on hosted uses, or geographic restrictions. So long as short-term rental uses are subordinate to residential uses, they are permitted throughout the City, including in all residential and mixed-use zoning districts.

As detailed below, the proposed ordinance is compliant with the Coastal Act and the City's certified LUP and protects housing units necessary to meet the City's housing needs. It is also responsive to the mix and abundant number of overnight accommodations provided by other means throughout the City. As such, the City respectfully requests that the Commission certify the ordinance as proposed.

A. The Proposed Ordinance Is Fully Consistent with the City's LUP.

As described above, the proposed ordinance was developed to implement the City's certified LUP, including Policies 2-76, 2-7, and 5-1. The Staff Report asserts that the City is incorrectly interpreting its own LUP, and that the proposed ordinance does not "strike an appropriate balance that protects housing and also maximizes public access to the coast" (Staff Report at 19; see also Staff Report at 2). However, the Staff Report cherry-picks the coastal access policies in the City's certified LUP, and ignores other, equally important and binding policies. As a result, if the Staff Report's recommended modifications are fully implemented, the resulting ordinance will not be compliant with the LUP as a whole.

As a preliminary matter, "the commission may only reject zoning ordinances, zoning district maps, or other implementing actions on the grounds that they do not conform with, or are inadequate to carry out, the provisions of the certified land use plan" (Pub. Resources Code § 30513). This statutory limitation makes sense where the Commission has already determined that a certified land use plan has met the requirements of Chapter 3 of the Coastal Act (Pub. Resources Code § 30512(c)), as the Commission did for the City's LUP in April 2021.

Typically, cities are given leeway to establish their own local coastal programs (*See* Pub. Resources Code § 30512.2 [Commission shall not diminish or abridge the authority of a local government to adopt the precise contents of its plan]). However, even if the Commission were not obligated to defer to the City's own interpretation, the Staff Report ignores key aspects of the LUP in favor of policies regarding public access. The Staff Report myopically focuses on one part of Policy 5-1, which states the City shall "provide maximum coastal access and recreational opportunities." According to the Staff Report, the City is not permitted to regulate short-term rentals in any way that would limit the number of short-term rentals currently operating in the City, in order to protect that "maximum" public access. However, this reading ignores three other parts of the LUP, which must also be complied with (*See, e.g.*, Policies 1-3 and 2-2).

First, the quoted text in Policy 5-1 does not stand alone. Instead, provision of "maximum coastal access" must also be "consistent with public safety needs, and the need to protect public rights, rights of property owners, and natural resource areas from overuse." Aspects of the proposed ordinance are intended to fulfill these other needs, including the prevention of nuisance activities and the public need for housing and shelter.

Second, Policy 2-7 states that the City shall “safeguard existing housing stock so that it is preserved and used as full-time housing.” (emphasis added). This is a mandatory requirement – same as Policy 5-1 – and geared specifically at ensuring that existing housing units are used as full-time housing. The primary residence requirement of the City’s proposed ordinance is needed to effectuate this Policy. If Staff’s proposed modifications are adopted, nothing in the ordinance would prevent the conversion of existing housing units to full-time short-term rental use, in contravention of Policy 2-7. The Staff Report fails to address this issue.

Third, Policy 2-76 does not merely state that “short-term rental uses should be subordinate to primary residential uses,” as discussed in the Staff Report. Instead, the sentence continues. The goal of this policy is that “residential units continue to be used for long-term residential occupancy.” In that way, Policy 2-76 supports Policy 2-7, and implements its mandatory requirements with respect to preservation of housing stock. Again, if Staff’s proposed modifications are adopted, nothing in the ordinance would prevent the conversion of existing housing units to full-time short-term rental use, in contravention of Policy 2-76. The Staff Report likewise fails to address this issue.

Moreover, the Staff Report incorrectly states that if short-term rental uses “are regulated and operated to essentially function and appear as a residential use,” then they would comply with Policy 2-76. (Staff Report at 19). This interpretation completely ignores the second half of the sentence. Even if short-term rentals “do not outwardly present as anything other than” residential use (Staff Report at 19), they could still result in the unit being removed from the long-term housing market if the primary residence requirement is removed. A full-time, short-term rental that looks and feels like a house, is not a house. Land use matters more than appearances, and nuisance regulations alone are not sufficient to ensure compliance with Policy 2-76.

Finally, the Staff Report asserts that because the City cannot ensure that units will be actually used for full-time housing, the primary residency requirement is not supported (Staff Report at 16-17). However, Commission Staff have not explained why the City must prove that that the policy will be 100 percent effective. Short-term rental prices are sufficiently high that property owners have every financial incentive to put investment properties into this use. See **Exhibit 2**. If such uses are prohibited, it is more than likely that at least some of these owners will either exit the market (and sell to owners interested in long-term residential use), or will switch to long-term rentals. That financial incentive should be sufficient information.

B. Protection of Housing Units is Required to Meet the City’s Housing Needs.

The City has worked tirelessly to address the housing needs of its residents. In 2018, to inform the housing strategies developed for the Land Use Plan update, the City hosted well-attended and appreciated community engagement sessions in collaboration with San Mateo County’s the Home for All initiative. Valuing this approach, we continue to provide “listening sessions” every year to support City Council’s priority setting process, which has included

affordable housing for multiple years. This engagement inspired the Land Use Plan's innovative Workforce Housing Overlay land use designation to facilitate housing development for residents employed in the local service and agriculture industries, which tend to have low wages and also comprise Coastal Act Priority land uses. In 2019, the City adopted Residential Rental Security Measures and Affordable Housing Funding Guidelines. Affordable housing funds were subsequently dispersed in 2019 to support a workforce development center for homeless residents (\$300,000 to Abundant Grace) and in 2020 for rent relief during the COVID pandemic (\$200,000 to Coastside Hope and St. Vincent de Paul Society). In 2022, the City completed a Request for Qualifications process to bring forth proposals for affordable housing development on City-owned land in the Downtown area. Mercy Housing is moving forward and proposing 40 units affordable to very low, extremely low, and acutely low income farmworkers. Project funding will likely require allocation of almost all of the remaining balance of the City's affordable housing fund (\$2 million) as one slice of the complex funding pie to cover the project's capital budget of over \$30 million. This critical work is done parallel to and consistently with the LCP. Because the Coastal Commission does not have oversight over many of these activities, we highlight them for you to provide context about the breadth of investment needed to address the housing crisis. Every unit counts.

The City's short-term rental ordinance must be considered in this context. For example, the City's current Housing Element must identify sites and mechanisms to produce 240 units of housing. The City has fallen short of its goal. As a result, the City's updated Housing Element must identify sites and mechanisms to produce 480 units of housing over the next eight years.

Conversion of existing and new housing units to short-term rentals threatens the City's ability to meet these requirements. For instance, the City recently approved a development with two rental units on Poplar Street, and counted these units in its 2019 Annual Progress Report (APR) to the State Department of Housing and Community Development (HCD), the year the building permits were issued. The project was completed in summer 2020, and the City is aware that the owner is currently renting both units solely as short-term rentals. Rental housing of any type, size, and cost is in critically short supply in Half Moon Bay.² Will the Commission help explain to HCD why these two important rental units, which qualified as affordable to moderate income households, were lost? This is not an isolated case, but one that is especially confounding in that the City granted special development allowances to ensure it could be developed with two housing units as anticipated in the Housing Element. According to conversations with local realtors, the pending short-term rental ordinance has dissuaded investors from purchasing units and converting them to short-term rentals. With a new, certified ordinance with no primary residence requirement, the City is likely to see additional units convert to full-time short term rental use.

The ordinance's proposed primary residence requirement likewise furthers the Commission's housing justice goals. On June 9, 2022, the Commission received a Report on the

² Zillow long-term rental listings in the City as of October 4, 2022 include seven listings ranging in price from \$2,600/month (1 bedroom) to \$5,800/month (4 bedroom).

Historical Roots of Housing Inequity and Impacts on Coastal Zone Demographic Patterns (“Housing Justice Report”).³ The Report explains that the “shortage of affordable housing in the coastal zone exacerbates historical inequities and bars disadvantaged groups from access to coastal residential opportunities.” Housing Justice Report at 2. The City wholeheartedly endorses Commission comments at the June 9, 2022 meeting: “These are not things of the past, but these are burdens of the past that we continue to carry into the future.” The City likewise agrees with several Commissioners’ observations that short-term rental companies are acquiring units for investment purposes, evicting tenants, and turning them into full time STRs . As was noted at the June 9 hearing, cities generate TOT revenue from STRs, but it falls woefully short of the cost to build affordable units.⁴ In short, the City’s ordinance seeks to remedy these “burdens of the past” by preserving housing stock for those that need it the most.

C. The City Provides Significant Overnight Coastal Access.

The Staff Report suggests that the City must allow unlimited short-term rentals in order to maximize coastal access. However, the Staff Report fails to consider whether the City is already providing sufficient overnight accommodations, both through the majority of short-term rental units that would continue to operate under the proposed ordinance, and through other forms of visitor accommodation.

With a current population of 11,795, Half Moon Bay currently offers a diverse and abundant array of overnight accommodations. **Exhibit 3** details that almost 900 units are currently available within the City, ranging from economy to luxury. An additional 102 units (Hyatt project) are currently under consideration. The City therefore offers 76.0 visitor-serving units per 1,000 people, and may offer 84.7 visitor-serving units per 1,000 people in the near future. These figures do not include short-term rentals that are currently offered, or that would continue to be offered if the proposed ordinance is certified.⁵

³ Available at <https://documents.coastal.ca.gov/reports/2022/6/TH6d/Th6d-6-2022-report.pdf>.

⁴ Half Moon Bay generated over \$450,000 in TOT revenue from STRs in Fiscal Year 21-22. However, most recent estimates from Mercy Housing indicates that is still not enough to build a single affordable unit. Mercy has submitted a proposal to build 40 units of farmworker housing in Half Moon Bay at a cost of \$30.5 million, which equates to roughly \$700,000 per affordable unit.

⁵ The numerous visitor-serving accommodations in the City of Half Moon Bay generate a proportionate number of visitor-serving jobs in hotels and restaurants. Unfortunately, the City’s hotel and restaurant workers are under tremendous strain due to lack of affordable housing.

The City of Dana Point recently compiled data regarding the levels of accommodation provided by other cities in the Coastal Zone.⁶ This data shows that the City of Half Moon Bay is already providing more overnight accommodations per 1,000 capita than any other coastal jurisdiction considered in that analysis (Dana Point, Laguna Beach, Santa Monica, and Santa Barbara County). The Staff Report, however, makes no mention of these other avenues for overnight coastal access, and offers no standards to which the City is supposed to adhere. The City is already “maximizing” overnight accommodations when compared to many other cities in the Coastal Zone, and proposes to allow significant additional short-term rental accommodations on top of these. The Staff Report offers no explanation for why these types of accommodations do not count in determining whether the proposed ordinance is in conformance with widely applicable LUP policies.

Likewise, the Staff Report notes that the City did not provide a rate for lower cost accommodations for which to compare current Half Moon Bay short-term rental rates (Staff Report at 20). The City had assumed that the Staff Report would rely upon the Commission’s readily available and well-researched information. For example, the 2019 Report “[Explore the Coast Overnight](#)”,⁷ produced by the Coastal Conservancy in partnership with the Commission, cites \$112 per day year-round and \$123 per day during the summer as the threshold for lower cost accommodations. While these rates need to be adjusted to reflect recent inflation, they serve as a reasonable reference point for weighing the relative affordability of short-term rentals for Half Moon Bay.

The Staff Report notes that unhosted short-term rentals provide a unique form of accommodation and may be considered “affordable when rented by a group of people or by two or more families” (Staff Report at 20). However, even if an unhosted short-term rental served 3 or 4 households, such rentals in Half Moon Bay would remain unaffordable by the standards established by the Coastal Commission (See **Exhibit 2** [nearly all unhosted rentals exceed \$500 per night]). Requiring the City to offer more unhosted short-term rentals will not result in additional affordable accommodations on the coast, and is therefore unnecessary to meet the City’s Coastal Act obligations.

III. The City Has Attempted to Work with Commission Staff to Develop a Mutually Acceptable Ordinance.

The City has carefully reviewed the Staff Report, which came as a significant surprise. While we were working to address disagreements between the City and Commission Staff, we believed that efforts to reach agreement would result in a thoughtful and acceptable outcome.

⁶ September 7, 2022, Item 12 b. Appeal A-5-DPT-22-0038 (City of Dana Point, Dana Point), Exhibits, page 23, <https://www.coastal.ca.gov/meetings/agenda/#/2022/9> (showing a range of 12 to 60 lodging units per 1,000 population on other coastal cities).

⁷ Available at <https://documents.coastal.ca.gov/reports/2019/11/F6/F6-11-2019-report.pdf>

To the extent the Commission determines that modifications are needed, we request that they be modified as previously communicated to Commission Staff and detailed below.

Specifically, the City submitted the proposed ordinance in December 2021, and the submittal was filed as complete on March 15, 2022. During that time, City staff provided responsive information for all requests from Commission Staff. The City also provided extensive information about the difficulty of obtaining specific data in response to some of the requests, especially as the City has no existing short-term rental ordinance, and data from the City's existing short-term rental compliance contractor can be incomplete.

In April 2022, Commission Staff provided a highly favorable staff recommendation on the certification, with some minor modifications, and endorsed the primary residence requirement (Staff Report at 11). The Commission then received letters from a few existing operators, who raised concerns about their ability to comply with the primary residence requirement and the impacts that the unhosted night limitations would have on their current operations (*Id.*) The City agreed with Commission Staff on a short extension to collaborate on potential mechanisms to address the operators' concerns.

At that time, the City understood that the Commission had three main concerns. First, the Commission was concerned about the occupancy restrictions found in the proposed ordinance. The City had capped the total number of occupants at eight people, reflecting that most larger short-term rentals contained four bedrooms. Staff from the City and the Commission discussed how this provision may unnecessarily limit the use of larger homes. City staff communicated that the City would likely support setting aside the 8-person cap, while retaining the 2 persons per bedroom limitation, to allow greater occupancy in the few larger homes (See Staff Report at 21 [Modifications 6 and 7]).

Second, Commission Staff raised concerns about the limitation on unhosted nights included in the proposed Ordinance. The City Council had originally included a limit of 60 nights per year, based on typical visitation patterns in the City (i.e., predominantly weekend visits, concentrated in the summer months). However, City staff communicated that the City would likely support increasing the limitation on unhosted short-term rental nights to 90 or 120 nights per year, which would ensure that short-term rental uses remain subordinate to residential uses, per Policy 2-76 (See also Staff Report at 20 [Commission approval of previous limitations on unhosted rentals at 90 and 100 nights]).

Finally, Commission Staff raised concerns about the handful of existing short-term rentals that would not easily comply with the primary residence requirement. These comments were based directly on the letters received from short-term rental operators. To address these concerns, City staff communicated that the City would likely support grandfathering in these existing operators, which would allow them to continue renting without coming into compliance with the primary residence requirement.

Shortly before the Staff Report was released, Commission Staff alerted the City that they would not accept any of the City's proposed compromises, even though they would have largely addressed the concerns raised in public correspondence. Instead, Commission Staff indicated that they would be recommending modifications that expanded the scope of the disagreement. The modifications would eliminate both the primary residence requirement and any cap on unhosted nights, even though those are the only provisions of the ordinance that protect housing stock and prevent conversion of long-term housing to short-term use.

The Staff Report also proposes to eliminate the restrictions on short-term rentals on substandard lots. The City had included the restriction as a mechanism to protect public street parking in areas of the City close to the beach, in order to promote public access. These substandard lots are largely in parking-constrained areas (See **Exhibit 4**). While short-term rentals are subject to some parking requirements, guests are permitted to use public streets, and are more likely to do so if the properties do not contain ample off-street parking. As substandard lots rarely provide significant off-street parking, these limited restrictions were intended to protect important coastal access. However, as Commission Staff did not alert the City about the recommendation, the City was unable to provide this explanation in advance.

Finally, the Staff Report proposes modifications that would limit the City's ability to enforce nuisance and other good neighbor provisions found in the Municipal Code (Staff Report at 7, Modifications 9-11). The modifications would limit the City to enforcing nuisance provisions found in the Local Coastal Program; the City would not be explicitly permitted to enforce the rest of the Municipal Code—which includes provisions related to noise, trash, and parking—against short-term rental operators. This change significantly hamstrings the City's ability to ensure that short-term rentals are compatible with residential uses. City staff have been in discussions with Commission staff and anticipate reaching a mutually agreeable resolution of this issue.

Having worked in good faith with Commission staff on the proposed ordinance, the City is surprised by these significant moves away from the collaborative dialogue. The Staff Report appears to largely rely on the assumption that the City is not currently experiencing any "problems" related to short-term rentals (Staff Report at 22 ["In other words, the 'problem' that the City's 'solution' purports to address is unclear, and the solution appears to be a poor fit for this context."]). However, the City is facing a housing crisis now, and every unit repurposed to exclusive short-term rental use represents another housing unit that must be built to provide needed housing in a resource-constrained environment. And perversely, if the City must wait to "prove" that short-term rentals are having a meaningful difference on the housing market, it may well be too late, as the Commission frequently requires that jurisdictions grandfather in existing short-term rental use.

The City is aware of several corporate property owners operating short-term rentals. We have also interviewed numerous local real estate professionals who confirm that investment in homes for short-term rental use makes up for one quarter to one half of their calls about single-family listings. We have submitted the rental rates of unhosted short-term

rentals to your staff. It is obvious that renting a whole house, often for \$1,000 per night or more, for 7 to 10 days per month will result in a higher income stream than renting the house for long-term housing. If these modifications are adopted by the Commission, the erosion of housing stock will continue. We believe that protecting against such erosion is important and can be accomplished while continuing to offer significant short-term rental use.

IV. The Commission Has Not Identified Any “Significant Adverse Impacts on the Environment.”

The Staff Report states that the City’s proposed ordinance must be denied because “there are feasible alternatives and mitigation measures that would substantially lessen the significant adverse impacts on the environment that will result from certification of the Amendment as submitted” (Staff Report at 5). However, the Staff Report does not identify any significant adverse impacts that would result from the proposed ordinance. As the Staff Report makes clear, there are dozens of existing short-term rentals operating in the City, on top of the City’s nearly 900 existing hotel/motel/camping/B&B rooms. If anything, the proposed ordinance is expected to slightly reduce the total number of short-term rentals, and to constrain the potential environmental impacts that are resulting from their existing operation. As such, its adoption will not result in any adverse environmental impacts, and the California Environmental Quality Act should form no basis for the Staff Report’s recommended approach.

V. Conclusion

The City appreciates the time and attention that Commission Staff has devoted to its review of the City’s proposed short-term rental ordinance. However, as detailed above, the Staff Report does not explain how the proposed modification would result in an ordinance that is consistent with the City’s recently certified LUP. Pursuant to two key policies, the City has committed to preserving its housing stock for long-term residential use. Nevertheless, the City intends to continue its long-standing tradition of offering short-term rentals within this context. Given the ongoing availability of lower cost, hosted rentals, the continuation of unhosted rentals during peak visitation times, and the density of other overnight accommodations within the City, it is clear that coastal access continues to be a priority. The City urges the Commission to certify the ordinance as proposed, or with minor modifications as provided above, without delay.

Sincerely,



Jill Ekas,
Community Development Director

Copy:

Jack Ainsworth, Executive Director

Mayor Ruddock and Members of the Half Moon Bay City Council

Matthew Chidester, City Manager

Catherine Engberg, City Attorney

Exhibits:

1. Summary of Registration, TOT, Compliance and Enforcement Activities re STRs
2. STR room rates in Half Moon Bay
3. Hotel, Motel, Camping and Other Overnight Accommodations in Half Moon Bay
4. Substandard Lot Map

EXHIBIT 1

Short Term Vacation Rentals Summary of Registration, TOT and Enforcement Activities

Background: The City of Half Moon Bay does not have land use regulations applicable to short-term vacation rentals (STRs). Although essentially prohibited by the Zoning Ordinance, the City has always abided by Coastal Commission guidance and allowed STR operations. In 2017 the City began to track, collect transient occupancy tax (TOT), and issue business licenses to STR operators. Since tracking commenced, 95 STRs have been registered in Half Moon Bay. They have not all operated at the same time. As evident from AirBnB and other hosting platforms, many more operate. Absent land use regulations and a registration system, it is difficult to track STR operations; the City’s contractor who monitors Half Moon Bay’s STR operations has been able to bring some into compliance, but many avoid such efforts and frequently change their listings to avoid monitoring.

Many STRs are out of compliance with TOT and Business License requirements. Some STRs operate in a manner that impacts coastal resources, coastal access, and/or neighborhood quality of life. This summary provides the most recent month’s status of registered STR operations with respect to compliance with taxes and licenses and an overview of land use/nuisance complaints and violations in 2022.

Taxes and Licenses Status - September 2022

(Source: HdL Companies, contractor to the City and AirBnB)

Total registered STRs:	48 STRs
Registered STRs Paying TOT:	33 STRs
Registered STRs with business licenses:	24 STRs
FY 2021-22 STR TOT	\$450,000

It is notable that in October 2022, AirBnB listings included 86 STRs within city limits. Thus, the above summary, referring to registered STRs, includes only a subset of active operations. None of the unregistered operators have business licenses; although they are contributing TOT if they are hosted through AirBnB as a requirement of the City’s agreement with that hosting platform. Thus, STR TOT includes TOT from registered operators as well as some unregistered operators through hosting platform agreements with the City. The hosting platforms do not disclose any information about their operators to the City, including the number of operators, their locations, rates, or number of nights. They only convey TOT.

The majority of STRs operating in Half Moon Bay are out of compliance with respect to TOT and/or Business License requirements. It is costly and time consuming to track and enforce compliance. There are very few consequences for non-compliance because there are no enforceable land use regulations.

Land Use and Nuisance Complaints – 2022 YTD
(Source: City of Half Moon Bay, Community Development Department)

Complaints:

Complaints (calls, emails, City identified, etc.):	12 complaints
Number STRs identified in complaints:	8 STRs
Number complaints associated with confirmed code violations:	6 STRs
Violations resolved and no recurrence within 6 months:	2 STRs
Violations unresolved or recurring within 6 months	4 STRs

Types of Complaints:
 There are many types of complaints. Some are zoning code violations (e.g. habitat encroachment) and others are municipal code violations (e.g. excessive noise, overflowing trash). Unpermitted occupancy may include use of RVs (which have included illegal utilities connections), accessory dwelling units, and other spaces that were not permitted for such occupancy. Parking and trespassing complaints must be addressed by law enforcement. Complaints about privacy and quality of life, while important, often cannot be addressed as violations. Complaints about the 8 STRs noted above include:

Habitat Encroachment:	2 STRs
Parking:	2 STRs
Noise:	3 STRs
Trash:	2 STRs
Unpermitted Occupancy:	4 STRs
High Occupancy/Parties/Events:	3 STRs
Trespassing	1 STR
Other (e.g. privacy, quality of life, etc.)	4 STRs

Land use and nuisance complaints are very difficult to manage. These activities often occur after City business hours, and in some cases are not violations of City ordinances (e.g. high occupancy/party/event operations cannot be regulated at this time other than through associated violations such as illegal parking or excessive noise). Serious violations require intervention by law enforcement. In some instances, despite City enforcement efforts, these situations have lead to neighborhood tension. City staff are aware of situations were operators and neighbors have set up cameras to monitor each other, and in one noted case, there have been verified reports of physically threatening behaviors.

EXHIBIT 2

City of Half Moon Bay STR Rates - Fall 2022 and Spring 2023 non-holiday weekends

Hosted Single Room					
Neighborhood	# of Nights	Rate Per Night	Total w/Fees	Per Night w/Fees	
Arleta Park	2	\$100	\$456		\$228
Arleta Park	3	\$189	\$704		\$235
Arleta Park	3	\$115	\$439		\$146
Arleta Park	3	\$421	\$1,289		\$430
Arleta Park	3	\$115	\$439		\$146
Casa Del Mar	2	\$100	\$285		\$143
Average					\$221
Un-Hosted Whole house					
Neighborhood	# of Nights	Rate Per Night	Total w/Fees	Per Night w/Fees	
Alsace	3	\$1,275	\$4,821		\$1,607
Arleta Park	2	\$300	\$799		\$400
Arleta Park	3	\$246	\$1,012		\$337
Arleta Park	3	\$367	\$1,503		\$501
Casa Del Mar	3	\$1,722	\$6,193		\$2,064
Downtown	3	\$398	\$1,517		\$506
Miramar	2	\$1,265	\$3,400		\$1,700
Miramar	3	\$978	\$3,759		\$1,253
Miramar	3	\$604	\$2,290		\$763
Ocean Colony	3	\$1,495	\$5,518		\$1,839
Ocean Colony	3	\$1,400	\$5,021		\$1,674
Ocean Colony	3	\$1,400	\$5,249		\$1,750
Average					\$1,199

Source: Airbnb - <https://www.airbnb.com/>
 Accessed September 2022 for off-peak, non-holiday weekends in fall 2022 and spring 2023

EXHIBIT 3

Half Moon Bay and San Mateo County Midcoast Accommodations, 2022

Half Moon Bay Accommodations	Number of Units	Classification	Class
Zaballa House	19	Bed & Breakfast	Economy
America's Best Value Inn	27	Hotel/Motel	Economy
Miramar Inn & Suites	29	Hotel/Motel	Economy
Cameron's Inn	3	Hotel/Motel	Economy
Sweetwood Group Campsite	1	Camping	Group Campsite
Beach House Hotel	54	Hotel/Motel	Luxury
Ritz- Carlton	261	Hotel/Motel	Luxury
Pillar Point RV Park	48	Camping	RV
Half Moon Bay Rv Park and Campground	65	Camping	RV
Pelican Point RV Park	72	Camping	RV
Half Moon Bay State Beach	53	Camping	Tent and RV
Mill Rose Inn	6	Bed & Breakfast	Upper Midscale
Nantucket Whale Inn	8	Bed & Breakfast	Upper Midscale
San Benito House	12	Bed & Breakfast	Upper Midscale
Quality Inn	54	Hotel/Motel	Upper Midscale
Half Moon Bay Inn	13	Hotel/Motel	Upper Midscale
Best Western Plus	46	Hotel/Motel	Upper Midscale
Half Moon Bay Lodge	80	Hotel/Motel	Upper Midscale
Aristocrat Hotel	46	Hotel/Motel	Upper Midscale
Hyatt (Proposed)	102	Hotel/Motel	Upper Midscale
		Population	Units per 1,000 Population
Total Accommodations	897	11,795	76.0
Total Accommodations (Including Proposed)	999	11,795	84.7

Sources: Chapter 5. Coastal Access and Recreation. (2020, October). In *City of Half Moon Bay Local Coastal Program & Land Use Plan*.
Half Moon Bay Coastside Chamber of Commerce BID. (2021).
 Bureau, U. S. C. (2010, April). Explore census data. Explore Census Data. Retrieved from <https://data.census.gov/>

Coastside Accommodations	Number of Units	Classification	Class
Seal Cove Inn	10	Bed & Breakfast	Luxury
Cypress Inn	18	Bed & Breakfast	Upper Midscale
Inn at Mavericks	6	Bed & Breakfast	Upper Midscale
Point Pillar Project's RV Park (Approved)	50	Camping	Tent and RV
HI Point Montara Lighthouse Hostel	30	Hostel	Economy
Ocean View Inn	7	Hotel/Motel	Luxury
Ocean Front Hotel (Landis Shores)	8	Hotel/Motel	Luxury
Oceano Hotel & Spa	95	Hotel/Motel	Luxury
Harbor View Inn	17	Hotel/Motel	Upper Midscale
Total Accommodations	241		
Combined Total Accommodations	1138		
Combined Total Accommodations (Including Proposed)	1240		

Source: *Half Moon Bay Coastside Chamber of Commerce BID*. (2021).

EXHIBIT 4



November 12, 2022

Dan Carl
Peter Benham
North Central Coastal Planner
California Coastal Commission

VIA Email:

Dan.Carl@coastal.ca.gov
peter.benham@coastal.ca.gov

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

I support providing more low income housing but one must acknowledge that this is a State wide issue and it is not caused by a small number of STRs. Clearly, low income rental housing is a difficult and emotionally charged issue. The solution, I believe should be a multi-pronged approach and applied with surgical precision within geographical areas. The state's ADU program is aimed at the problem but the reality is that we need to promote new housing paradigms for example modular pre fab homes and to made it easier and more economical build and without a lot of bureaucratic red tape. One could argue that HMB's "no growth policy" is a major culprit as there is plenty of raw undeveloped land that is either fallow or for ornamental and food agricultural that could be repurposed. I believe the **proposed ordinance is the wrong tool** and is being used as a "poster boy" by the HMB City Council to show that something is being done to placate the Hispanic community even though they know that this ordinance will not provide for any meaningful relief of rental costs for the bottom of the economic ladder; while kicking the can down the road and avoiding the root causes of the problem which is zoning and infrastructure. The "feel good" and "vote getting" proposal in the best case will not noticeably increase affordable rental housing as the STR housing stock is so minuscule as to be immaterial. STR homes are not starter homes for rent.

It is my understanding that the Coastal Commission mandate and first priority is to provide good access to public areas. **I agree with the last proposal amendments put forward by the Coastal Commission staff.** The HMB ordinance proposal would be a problematical precedence for the rest of the California coastline and will erode the Coastal Commission's ability to fulfil its voted mandate by the people of California.

STR homes serve a real market need between motels and higher end hotels like the Ritz Carlton. STR homes provide a place for middle income families to gather; as the lower end do not have the facilities and places like the Ritz Carlton are not affordable to a lot of potential visitors. The HMB proposed ordinance will result in less people choosing to stay and frequent HMB.

I have been doing a STR for over 15 years at the same location in HMB and my goal has been to be like "Southwest Airline" by offering affordable high quality accommodation to families and senior citizens.

If the requirement for operating a STR in HMB is that it must be one's primary residence, I will likely use it as a secondary home or turn it into a long term rental that will not be subject to the STR ordinance. The result is this will not increase the lower end rental housing stock and public access to this geographical area will be hindered.

If there is also a limitation on the number of days, I plan to raise my rates and it will negatively impact the affordability for families and senior citizens wanting to visit HMB.

Following the path of the HMB proposed ordinance is a "loose loose" proposition as it is negative for citizens wanting economical lodging on the coast, it diminishes my ability to support my retirement and negatively impacts my investment and the HMB TOT revenues decrease.

A more reasonable and equitable solution might be to 1) limit the number of whole house STRs as a percentage of total housing; 2) grandfather in currently licensed STRs that are in good standing with the City of HMB; 3) not limit the number of rental days, 4) limit STRs to 8 people; 5) prohibit house parties.



Jeffrey Chew, Owner & STR Manager
STR Address: 16 Muirfield Rd., Half Moon Bay, CA
TOT Account No: 02405250
HMB Business License: 02404298
650-207-2820

December 3, 2022

Dan Carl
Peter Benham
North Central Coastal Commission
California Coastal Commission

Via Email

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

We recognize the diligent/hard work that the City Council of HMB has put into its Amendment, especially the presentation of Spanish speaking representatives at the last Coastal Commission meeting to argue the affordable housing case in the debate against the STRs,

We still have different views on the proposed STR Ordinance and are plan vigorously pursue impactful remedies, as we have over the last 12 years, as it relates to Ocean Colony Association (hereinafter "OC") STR operators.

We believe that the main point to ultimately shut down the STR operations in HMB based on the lack of the affordable housing is seriously misplaced. The brief survey of STR operators in Ocean Colony (OC) revealed that all (6) OC STR operators will convert their houses into their vacation houses and NONE of the goals of affordable housing will be achieved by the City of HMB.

Here is an example, if OC STR operators in HMB will stop providing STRs then the middle class of America will not have access to Ritz-Carlton wedding opportunities because they will not be able afford a \$900 room for two people vs. a \$900 house near Ritz for 8 people. As a result, the gap between rich and middle class will become wider and the middle class will be cut off from beautiful settings of Ritz.

We also believe that the proposed amendment is not in the "best interests" of the city of HMB nor does it address the economic harm and redress to present STR operators. It is highly likely that there will be a negative impact on local business revenues and service workers as they are heavily dependent on a robust tourist visitation environment. We believe the "jury is in" that STRs fulfill an important niche for HMB tourism. Clearly, the near-term economic downturn will only make life more difficult for everyone concerned.

In the spirit of compromise and trying to move forward, we urged the City of HMB to consider the following. The OC has already addressed the STR matter by banning new STRs and we believed that local rule should be allowed to prevail. Accordingly, we already requested that the OC be exempted from the proposed ordinance and that it is reasonable and equitable for the following reasons.

- 1) OC has already banned new STRs but grandfathered in the then STRs that were in compliance, which includes possessing a City Business License, payment of TOT and proof of insurance with OC on the policy as an additional insured. Current STR operators will be "sunsetted" upon a change in ownership (including heirs of the current owners). Eventually all STRs will be eliminated within OC. At the end of the day, the OC CC&Rs regarding STRs is even more restrictive than the proposed ordinance; and takes into consideration the potential financial liability to STRs prior to its enactment.
- 2) OC is a gated community and has management in place to insure that STR operations are conducted in an acceptable manner (ie. noise levels, activities and parking).
- 3) OC is the least affordable residential neighborhood in HMB, "carving out" OC will not practically be detrimental to the goal of increasing more affordable housing.

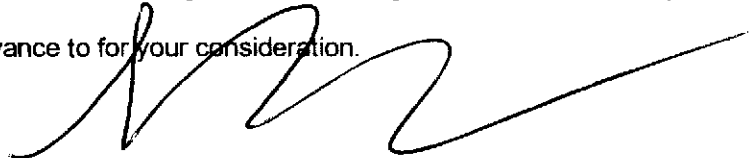
If OC were also designated as a "carve-out", as granted to the downtown commercial area; we are amenable to setting aside our objections. The reason for our support will be the point that the current OC STR operators (the total number is not greater than 6 operators) already have enough restrictions which are like the proposed ordinance but the rest of the HMB STR operators do not have the same level of controls.

What are the deal breakers for OC STR operators in the negotiations with the City of HMB?

1. Primary residence requirements,
2. Restrictions on number of days for STRs,
3. Permissions from neighbors.

We presented our offer to the City of HMB, but they never bothered to respond us.

Thank you in advance to for your consideration.

A handwritten signature in black ink, appearing to be 'AS', written over a horizontal line.

Anna and Sergey Savastiouk, Owners & STR Manager
445 Fairway Drive., Half Moon Bay, CA
408-499-7971



October 13, 2022

VIA U.S. MAIL AND EMAIL

California Coastal Commission
King Gillette Ranch 26800
Mulholland Hwy
Calabasas, CA 91302
Executive Staff@coastal.ca.gov

**Re: Half Moon Bay Local Coastal Program (LCP)
Amendment LCP-2-HMB-21-0078-2**

Dear Commissioners of the California Coastal Commission,

The City of Half Moon Bay seeks to amend its Local Coastal Program (“LCP”) through Amendment LCP-2-HMB-21-0078-2 (the “Half Moon Bay Amendment”). The Half Moon Bay Amendment proposes common-sense short-term rental (“STR”) regulations that preserve housing for local residents while also fostering affordable tourist accommodations and coastal access. In this case, the subject city provides a wealth of existing tourist accommodations, which makes the provision of expensive, unhosted STRs unnecessary and potentially threatening to the existing housing stock and existing legitimate, lower-costs accommodations. Better Neighbors LA (BNLA) and Unite HERE Local 11 (“Local 11”) support the Half Moon Bay Amendment and recommend the Coastal Commission accept it without modification.

BNLA is an advocacy organization which monitors the regulation of STRs throughout California. Our organization also operates a public hotline through which we learn of the impact of STRs on local communities. Local 11 represents 30,000 hotel and airport workers across Southern California and Arizona.

BNLA and Local 11 have partnered to express their unified support for STR regulations which strike a balance between protecting local housing stock and communities while also providing affordable access to the coastal zone. It is our position that the best way to accommodate these interests is to require STRs to be hosted.

Hosting requirements are an important aspect of STR regulations. STR hosting requirements create sustainable affordable accommodations for tourists while preserving residential areas, improving safety, and protecting housing. In addition, STRs supervised through on-site hosts avoid increases in local nuisance and crime which are often reported at unsupervised rentals.

Host requirements are one of the only tools available to the Coastal Commission to ensure that tourist accommodations in the coastal zone remain affordable. Hosted STRs are consistently the most affordable STRs. Together, BNLA and Local 11 have supported hosting requirements in Malibu, Long Beach and Dana Point. Indeed, the Coastal Commission has itself historically endorsed on-site supervision of STRs and suggested municipalities consider adopting them. The reason is because unhosted STRs tend to draw investors and commercial operators that charge much more than genuine home-shares. In several cases, including Laguna Beach and most recently, in Malibu, we have provided data that demonstrates that unhosted STRs are some of the most expensive accommodations, reserved for only the wealthiest travelers. Hosted STRs, however, are operated by local residents, are more welcoming of families, and cost much less than unsupervised stays.

The staff report makes no mention of the fact that Half Moon Bay has a wealth of existing tourist accommodations by which to allow coastal access to visitors. There are an estimated 897 hotel rooms and campsites in Half Moon Bay, and a total of about 4,682 housing units overall. Tourist accommodations, therefore, even without STRs, represent a full 20% of all residences. This density of tourist accommodations is much more generous than other coastal cities. For example, Long Beach's tourist accommodations represents 7.6% of all housing units; tourist accommodations in Malibu represent 4.5% of its residential housing; and tourist accommodations in Laguna Beach are 10% of its housing units. Half Moon Bay has established tourist accommodations at more than double the rate of most other coastal cities. Because Half Moon Bay is rife with abundant and readily available tourist accommodations, there is no need to prioritize expanding the market to include unlimited unhosted STRs at the cost of safety and quality of life concerns.

The Half Moon Bay Amendment allows for unlimited hosted STRs without a cap on the number of nights they may rent to tourists. The hosting requirement, therefore, encourages the continued operation and further development of affordable tourist accommodations along the coast. It encourages local residents to benefit from home-sharing while dissuading investors that remove housing from the market that should be available to local residents and their families. The Coastal Commission should approve the Half Moon Bay Amendment's hosting requirement.

The Half Moon Bay Amendment also requires that STRs be limited to the host's primary residence. Such Primary Residence Requirements ensure that STRs are operated as true home-shares and not as residential housing left otherwise vacant. Another benefit of primary residence requirement is that it encourages oversight, responsible supervision, and maintenance of the STR properties. Primary residence STRs are less likely to be left largely vacant or unsupervised and so maintain the quality of such accommodations for visitors and surrounding neighbors alike.

In addition, Primary Residence Requirements serve to protect housing for local residents. STRs that do not serve as a primary residence are housing units that are purchased and maintained for sole use as temporary accommodations. Half Moon Bay and many California coastal areas struggle with an on-going and deteriorating housing crisis and increasing

October 13, 2022

Page 3

homelessness populations. Half Moon Bay's regulation to require STRs in primary residences is responsible and reasonable and should be approved by the Coastal Commission.

The Half Moon Bay Amendment also provides for caps on the number of guests and cars at each STR. These regulations provide important safeguards for surrounding communities. One of the most common hotline complaints BNLA receives from neighbors are reports of nuisance and parking hoarding. Neighbors often complain of overcrowded, loud, and unsupervised STRs that overtake street parking. Addressing issues of nuisance and safety is imperative to assuaging neighborhood concerns and garnering support for STRs. Local communities must mitigate the negative impact of STRs on the surrounding communities' quality of life in order to better integrate STRs and to make them more tenable for the long-term.

The Half Moon Bay Amendment proposes regulations which address the concerns of both STR operators and their surrounding communities. It allows for unlimited hosted STRs, the most affordable STRs available to tourists, to operate year-round. At the same time, it protects local housing and communities by prohibiting units from being taken off the market and addressing nuisance and safety concerns. This amendment strikes a well-considered balance and should be approved by the California Coastal Commission without modification.

Sincerely,

/s/ Randy Renick

Better Neighbors LA

Sincerely,

/s/ Danielle Wilson

Unite HERE Local 11

Rexing, Stephanie@Coastal

From: NorthCentralCoast@Coastal
Sent: Monday, October 17, 2022 3:07 PM
To: Benham, Peter@Coastal
Subject: FW: Public Comment on October 2022 Agenda Item Friday 8a - City of Half Moon Bay LCP Amendment Number LCP-2-HMB-21-0078-2 (Short Term Rentals and Home Occupations)

FYI

From: Suzanne Moore <suzyqettu2@gmail.com>
Sent: Thursday, October 13, 2022 3:08 PM
To: NorthCentralCoast@Coastal <NorthCentralCoast@coastal.ca.gov>
Subject: Public Comment on October 2022 Agenda Item Friday 8a - City of Half Moon Bay LCP Amendment Number LCP-2-HMB-21-0078-2 (Short Term Rentals and Home Occupations)

Honorable Commissioners,

I am not a resident of Half Moon Bay; but as a Coastal resident from Pacifica, I am very interested in your advice to our neighbors south of us. I appreciate staff remarks about the balance between needed housing stock and equitable access to the Coast. However, I feel that it is difficult to assess the current housing need since many communities lack rental registries and accurate data.

Currently, our County is experiencing a sudden increase of evictions and displacement. The evidence is reflected in the number of first-time requests to our CORE agencies for housing assistance and the increased number of clients seeking aid from legal aid agencies. Our CORE agencies report numbers that far exceed prior appeals for assistance.

The data needed to evaluate this critical change is likely outside the scope of any one city, but all of the Peninsula and the Bay area is being affected. Low-income households, black and brown families, our elders are all groups disproportionately impacted. The affect on communities due to displacement of essential workers and increased homelessness is genuine and frankly hard to quantify. You need only to see the encampments in Oakland, San Francisco, and San Jose to grasp the intensity of the housing and homelessness crisis.

Pacifica is considering a cap on new short term rentals and with good reason: our Resource Center is experiencing a record number of requests for assistance. We know that some of the evictions are due to Air B&B conversions.

The need for housing is critical as we enter the winter months, and all our communities should look and see how temporary emergency housing could be made available. Certainly we should avoid displacement of those who are currently housed. Our County is committed to the goal to end homelessness. Our state is mandating fair housing. Our Association of Bay Area Governments advised a three-prong approach to the housing crisis: protection from displacement, preservation of existing affordable housing, and production of housing for all income levels.

The Coastal Commission staff report remarks that visitor-serving uses and activities are a higher priority than residential under both the Coastal Act and the LCP. This historic housing crisis, exacerbated by the economic downturn of COVID, challenges that priority.

I appreciate the hard work of your staff and your love of our coast. Please advise our communities how we can balance the short term rental economic/social priority with the desperate life-saving need to provide housing until housing equity is attained. Thank you.

Rexing, Stephanie@Coastal

From: Sergey Savastiouk <savastuk@gmail.com>
Sent: Thursday, October 20, 2022 2:42 PM
To: Carl, Dan@Coastal; Benham, Peter@Coastal
Subject: STR in HMB

Hello Dan and Petter, I have listened to the latest debate about STRs in HMB and would like to ask you what would be the best way to provide you with my position on this matter as a STR operator in HMB. I also know other STR operators who express serious concerns about the coming up restrictions.

I can give you a call or write you a letter with several points which seriously undermine the expected outcome of the imposed restrictions.

1. The Mayor of HMB and others never asked STR operators what they were going to do if the restrictions were severe. They never analyzed scenarios of any outcomes.
2. For instance, if the restrictions are severe then I will stop providing STRs and use this property as a vacation house. Talking to other STR operators I sense that a lot of them will do the same.
3. For instance, if a lot of STR operators will stop providing STRs then the middle class of America will not have access to Ritz-Carlton wedding opportunities because they will not be able afford a \$900 room for two people vs. a \$900 house for 8 people. The gap between rich and middle class will become wider.

This is a very short list of points I can write knowing that you will be entering into the negotiations with the City of HMB.

What are the deal breakers for us ?

1. Primary residence requirements,
2. Restrictions on number of days for STRs,
3. Permissions from neighbours.

If you think that my letter and letters of others will help you to understand our position then I will write you a comprehensive letter or we can talk on the phone.

STR operators are small business owners who serve primarily the middle class. All points made by Spanish speakers will not be solved by shutting down STRs.

Regards,
Sergey Savastiouk
408-499-7971

Rexing, Stephanie@Coastal

From: NorthCentralCoast@Coastal
Sent: Wednesday, February 22, 2023 1:36 PM
To: Rexing, Stephanie@Coastal
Subject: FW: Public Comment on March 2023 Agenda Item Wednesday 14b - City of Half Moon Bay LCP Amendment Number LCP-2-HMB-21-0078-2 (Short Term Rentals and Home Occupations)

-----Original Message-----

From: Mark Pizzolato <Mark@alohasunset.com>
Sent: Monday, February 20, 2023 2:06 PM
To: NorthCentralCoast@Coastal <NorthCentralCoast@coastal.ca.gov>
Cc: Benham, Peter@Coastal <peter.benham@coastal.ca.gov>
Subject: Public Comment on March 2023 Agenda Item Wednesday 14b - City of Half Moon Bay LCP Amendment Number LCP-2-HMB-21-0078-2 (Short Term Rentals and Home Occupations)

At the end of the October Coastal Commission meeting, it seems to me that the Commission was willing to go back to discussions with the City since Jill Eaks' mentioned potential compromise on the idea of potentially Grandfathering of existing STR operators to avoid the residency requirement.

We think that would be a potentially reasonable idea if, the grandfathering was an attribute of the property rather than just the current operator. This would leave the potential for the property to permanently be part of the STR pool even after any sale of the property, which thus wouldn't reduce the STR pool over time which would seem to align with the Commission's goals.

As of your October 2022 report, it seems that the city has reduced the original count of STR operations from more than 100 down to some 48 rather than the "complete list of all operators since 2017" (32 properties), that the city provided me back in October 2021 in my FOIA request. The 48 number seems at least fishy since one would assume that some of these additional operators would have been concerned enough about the activities and restrictions in the ordinance to have raised their personal concerns somewhere during the original ordinance discussions and/or before the Coastal Commission meetings. However, the only operators who've ever engaged in comments on this subject during its whole evolution were folks on the original list of 32 properties. Maybe the city is trying to keep a pool of additional grants to give out to their personal buddies (likely in the future)...

Peter's original analysis stated that unregulated STR operations would have reasonably been expected to reach an equilibrium already. That makes complete sense, and maybe a better "compromise" would be to allow the current operators (in good standing) to continue and to allow future ones under the same conditions (no residency requirement) so long as the total doesn't exceed xxx% of the housing stock.

Additionally, it would be useful for those operating and those making decisions to have a detailed list of "legitimate" formal complaints against the all the various STR properties in the city over some reasonable time period (say all of 2022). I know that the immediate neighbor I had, who complained loudly about nothing legitimate and sold his house and moved out in December of 2021, stopped complaining. Since his departure there have been no complaints (legitimate or otherwise) against operations at my property even though we had more hosted and unhosted guest nights in 2022 than ever before.

Note: After reviewing the City's letter to Peter Benham at the Coastal Commission dated May 5, 2022, they provide a list of "Noticed Public Meetings", and indicated notifications via email for many things, however we never received any

email about any of these meetings until we were notified in paper mail about the August 17, 2021 City Council Meeting to approve the developed ordinance. This lack of notice occurred even though my wife had explicitly contacted Joe Butcher in early 2021 via phone and provided her email and her willingness to participate in the evolving process of the ordinance development.

From: Matthew des Tombe <mdestombe@gmail.com>
Sent: Friday, October 7, 2022 12:10 PM
To: NorthCentralCoast@Coastal <NorthCentralCoast@coastal.ca.gov>
Subject: Re: Objections to the City of Half Moon Bay's STR Regulaitons

Dear Coastal Commission,

My family and I own two small STRs in Half Moon Bay. One unit is a 260 square tiny cottage while the other is a 1967 Airstream in its own fenced area on the back of my house.

We also operate an STR for my mother on her property, which is a 180 square foot studio.

These are low-cost, low-impact STRs that allow couples, small families and out-of-town workers to stay in Half Moon Bay.

The City of Half Moon Bay has spent a lot of time and money (staff wages, countless meetings, proposals and re-writes) in an effort to regulate 27 Short Term Rentals in Half Moon Bay. This is less than 1% of the housing stock. Many of these are small units like mine that are not suitable for long-term rentals.

Request:

In my note below, I ask the coastal commission to do with the City has not - be reasonable and compassionate and grandfather the rare and few short-term rentals that are in operation today. The existing STRs provide important visitor-serving accommodation close to the beach for those not lucky enough to live in Half Moon Bay. We have had zero complaints over a period of seven years, we prioritize our neighbours over our rentals and have paid taxes well before TOT taxes were collected for STRs.

Existing STRs should be grandfathered as the city's proposed ordinance would eliminate about 30% of the existing STR stock.

Visitor Serving:

We live in a beautiful area. The Coastal Commission's important job is to preserve and allow for visitor-serving in our coastal communities. Our neighbours in other towns should be able to enjoy our beaches and have reasonable access to reasonably priced accommodation in Half Moon Bay. With only 27 STRs in Half Moon Bay, our city should be encouraging their operation and not discouraging it. STR's are a beautiful resource for those of us who don't want to stay in hotels.

People have been renting places by the beach well before any of us were born. The desire to regulate STR's in our town is a misguided "not in my backyard" non-inclusive reaction to something that is common in every beach town -- vacation rentals. These types of bans or undue restrictions on this type of lodging are inconsistent with Coastal Act and/or LCP policies prioritizing public access and visitor-serving uses. At a bare minimum, the existing STRs should be grandfathered.

Financial Impact:

We have also relied on historically allowed uses to make important and material financial decisions, the ban or change in laws would cause significant harm to my family and materially degrade my financial future.

No evidence of negative impact --

The City of Half Moon Bay has not shown, nor does the evidence support, that the STR market is significantly impacting the availability of housing or causing other adverse impacts on coastal resources. In fact, STRs provide important revenue for the city and work for people in our local community. The family that helps us with our rentals has gone from an eviction 7 years ago to buying a house here via her work on our rentals as well as her serving other STRs in town.

In closing, I would ask the Coastal Commission to add a provision to Grandfather and preserve the existing, rare and important resource of STRs in the city as there is no material impact whatsoever by letting these units continue to operate.

Thank you,

Matthew and Guliz des Tombe
307 Magnolia St
Half Moon Bay CA 94019

On Fri, Oct 7, 2022 at 11:33 AM Matthew des Tombe <mdestombe@gmail.com> wrote:

Dear Coastal Commission,

My family and I own two small STR's in Half Moon Bay along the beautiful Coastal Side of Highway One. One unit is 260 square feet while the other is a 1967 Airstream on a 4000 square foot lot at the back of my house.

We also operate an STR for my mother on her property, about 180 square feet.

These are low-cost, low-impact STR's that allow couples, small families and out-of-town workers to stay by the beach.

The City of Half Moon Bay has spent a lot of time and money (staff wages, countless meetings,

proposals and re-writes) misguided effort to regulate 27 Short Term Rentals in Half Moon Bay. Many of these are small units like mine that are not suitable for long-term rentals. This is a regulation looking for something to regulate and is wasteful and unnecessary.

Request:

In my note below, I ask the coastal commission to do with the City has not - be reasonable and compassionate and grandfather the rare and few short-term rentals that are in operation today to provide important visitor-serving accommodation close to the beach for those not lucky enough to live in Half Moon Bay. We have had zero complaints over a period of seven years, we prioritize our neighbours over our rentals and have paid taxes well before TOT taxes were collected for STR's.

Existing STR's should be grandfathered.

Visitor Serving:

We live in a beautiful spot our neighbours in other towns should be able to enjoy our beaches and have reasonable access to reasonably priced accommodation in Half Moon Bay. With only 27 STRs in Half Moon Bay, our city should be encouraging their operation and not discouraging it. STR's are a beautiful resource for those of us who don't want to stay in Hotels. People have been renting places by the beach well before any of us were born. The desire to regulate STR's in our town is a misguided "not in my backyard" non-inclusive reaction to something that is common in every beach town -- vacation rentals. These types of bans or undue restrictions on this type of lodging are inconsistent with Coastal Act and/or LCP policies prioritizing public access and visitor-serving uses.

Financial Impact:

We have also relied on historically allowed uses to make important and material financial decisions, the ban or change in laws would cause significant harm to my family and materially degrade my financial future.

No evidence of negative impact --

The City of Half Moon Bay has not shown, nor does the evidence support, that the STR market is significantly impacting the availability of housing or causing other adverse impacts on coastal resources. In fact, STRs provide important revenue for the city and work for people in our local community. The family that helps us with our rentals has gone from an eviction 7 years ago to buying a house here via her work on our rentals as well as her serving other STRs in town.

In closing, I would ask the Coastal Commission to add a provision to Grandfather and preserve the existing, rare and important resource of STRs in the city as there is no material impact whatsoever by letting these units continue to operate.

Thank you,

Matthew and Guliz des Tombe

From: Sylvia des Tombe <hyoerhim@yahoo.com>
Sent: Friday, October 7, 2022 4:27 PM
To: NorthCentralCoast@Coastal <NorthCentralCoast@coastal.ca.gov>
Subject: Grandfathering Short-Term rentals already in Existence in HMB

Email: NorthCentralCoast@Coastal.ca.gov

Dear Coastal Commissioners,

The City of Half Moon Bay has under 30 short term rentals -- these short -term rentals provide alternative and normally lower cost visitor serving accommodation for people who are not as fortunate to live here. The City's current ordinance as written would further reduce the number of short- term rentals on the coast and thereby materially impact people wanting to visit our town and stay in alternative rentals.

I would like to request that the Coastal Commission grandfather the existing short- term rentals in good standing in our town.

Thank you,

Sylvia des Tombe

Sent from my iPhone

From: Rosabelle Lynes <rosabelle1@gmail.com>

Sent: Friday, October 7, 2022 3:45 PM

To: NorthCentralCoast@Coastal <NorthCentralCoast@coastal.ca.gov>

Subject: Please grandfather Half Moon Bay's Existing Short Term Rentals

Dear Coastal Commissioners,

The City of Half Moon Bay has under 30 short term rentals -- these short term rentals provide alternative and normally lower cost visitor serving accommodation for people who are not as fortunate to live here. The City's current ordinance as written would further reduce the number of short term rentals on the coast and thereby materially impact people wanting to visit our town and stay in alternative rentals.

I would like to request that the Coastal Commission grandfather the existing short term rentals in good standing in our town.

Thank you,
Rosabelle Lynes

July 6, 2022

City of Half Moon Bay City Council
C/O Jill Ekas, Community Development Director
C/O Joe Butcher, Community Preservation Specialist
Community Development Department
501 Main Street, Half Moon Bay, CA 94019
650-726-8285

Via Email

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

The undersigned below recognize the diligent/hard work that the Community Development Staff has put into this Amendment, especially in light of the complexities and interdependence of the myriad of issues and pressures. Notwithstanding, we still have differing views on the proposed STR Ordinance and are planning to continue to vigorously pursue impactful remedies, as we have over the last 12 years, as it relates to Ocean Colony Association (hereinafter "OC") STR operators.

We support the Coastal Commission Staff decision to delay action and that further discussion is warranted due to the issues raised by the public regarding the proposed LCP amendment. As you are aware, we believe that the proposed amendment is not in the "best interests" of the city of HMB nor does it address the economic harm and redress to present STR operators. It is highly likely that the TOT base will decrease but more importantly there will be a negative impact on local business revenues and service workers as they are heavily dependent on a robust tourist visitation environment. We believe the "jury is in" that STRs fulfill an important niche for HMB tourism. Clearly, the near term economic downturn will only make life more difficult for everyone concerned.

In the spirit of compromise and trying to move forward, we urge consideration of the following proposal. OC has already addressed the STR matter by banning new STRs and we believe that local rule should be allowed to prevail. Accordingly, we are requesting that OC be exempted from the proposed ordinance and that it is reasonable and equitable as outlined below:

- 1) OC has already banned new STRs but grandfathered in the then STRs that were in compliance, which includes possessing a City Business License, payment of TOT and proof of insurance with OC on the policy as an additional insured. Current STR operators will be "sunsetted" upon a change in ownership (including heirs of the current owners). Eventually all STRs will be eliminated within OC. At the end of the day, the OC CC&Rs regarding STRs is even more restrictive than the proposed ordinance; and takes into consideration the potential financial liability to STRs prior to its enactment.
- 2) OC is a gated community and has management in place to insure that STR operations are conducted in an acceptable manner (i.e. noise levels, activities and parking).
- 3) OC is the least affordable residential neighborhood in HMB, "carving out" OC will not practically be detrimental to the goal of increasing more affordable housing.

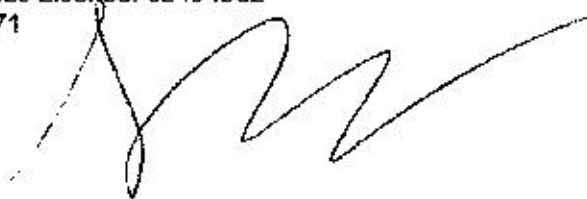
If OC were also designated as a "carve-out", as granted to the downtown commercial area; we are amenable to setting aside our objections and would be willing to indicate this to the Coastal Commission. In principal, we believe that some oversight of STRs for the rest of HMB is desirable but that it should be more in line with the restrictions that are already in place at OC.

If helpful, we are available for an in-person meeting between July 7th-15th. Please provide us with a response to the above by the end of July to assist in our planning purposes. Thank you in advance to for your consideration.

Jeffrey Chew, Owner & STR Manager
STR Address: 16 Muirfield Rd., Half Moon Bay, CA
TOT Account No: 02405250
HMB Business License: 02404298
650-207-2820



Anna and Sergey Savastiouk, Owner & STR Manager
Str Address: 445 Fairway Drive., Half Moon Bay, CA
TOT Account No: 02405252
HMB Business License: 02404302
408-499-7971



Alan Seem
Str Address: 117 Spyglass Lane, Half Moon Bay, CA
TOT Account No: 02405254
HMB Business License: 02404336
650-391-3709



FOR ALAN SEEM

-----Original Message-----

From: Guliz des Tombe <guliz.destombe@gmail.com>

Sent: Friday, May 13, 2022 10:51 AM

To: NorthCentralCoast@Coastal <NorthCentralCoast@coastal.ca.gov>

Subject: Public Comment on May 2022 Agenda Item Friday 11a - City of Half Moon Bay LCP Amendment Number LCP-2-HMB-21-0078-2 (Short Term Rentals and Home Occupations).

Hello,

I got this quote from page 2 of this: <https://documents.coastal.ca.gov/reports/2022/5/F11a/f11a-5-2022-report.pdf>

STRs are operating today. The relatively low number of STRs – in both cases – appears to reflect a market where, although there is significant tourist interest, there are also some 600 hotel and motel rooms and over 200 campsites across a variety of price points in the City. In that context, the new proposed STR regulations, although fairly restrictive relative to other LCPs statewide (including in terms of the residency requirement and the maximum of 60 unhosted rental nights annually per STR), should continue to provide the required LUP balance. Furthermore, the new operational and procedural framework should help to ease any issues that may be encountered, while protecting residential character. Such conclusions are bolstered by the proposed amendment allowing unlimited hosted rentals, and, per the City’s stated intent, unlimited unhosted rentals in mixed-use commercial areas.1

Why are they restricting visitor usage so much when there are only 30 airbnb's? Why are they even wasting your time? We operate two airbnb's for our selves and one for our mother. Based on this ordinance both of our peronal airbnbs will be shut down. We provide low cost visitor serving in a non hotel -- the city of half moon bay has failed to show that this is necessary or prudent and this will have a negative impact on visitors and operators. This is unnecessary and a waste of everyones time.



CITY OF HALF MOON BAY

501 Main Street
Half Moon Bay, CA 94019

Peter Benham
North Central Coastal Planner
California Coastal Commission
Via email

May 5, 2022

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

Dear Mr. Benham:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Sincerely,



Jill Ekas
Community Development Director

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

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

From: Sergey Savastiouk <savastuk@gmail.com>

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

To: NorthCentralCoast@Coastal <NorthCentralCoast@coastal.ca.gov>, Carl, Dan@Coastal <Dan.Carl@coastal.ca.gov>, Rexing, Stephanie@Coastal <Stephanie.Rexing@coastal.ca.gov>

Cc: KoppmanNorton, Julia@Coastal <julia.koppmannorton@coastal.ca.gov>, Jeffrey chew <jchew888@gmail.com>

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

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

Dear Mr. Carl and Mses. Rexing and KoppmanNorton:

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

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

Section 30320 of the California Coastal Act clearly states that

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

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

got long term commitments to their tenants.

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

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

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

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

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

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

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

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

Regards,

Ocean Colony STR Operators

Savastuk

Chew

Letter to Planning Commission of Half Moon Bay CA, 94019

RE: "NOTICE IS HEREBY GIVEN that the Planning Commission of the City of Half Moon Bay will hold a public hearing at 7:00 PM on Tuesday, May 25, 2021, via Zoom"

From:

Joseph Junkin and Laura Pisani
241 Myrtle Street Half Moon Bay
VRBO listing: 565640

Hello my name is Joseph Junkin. Along with my wife Laura Pisani, we own the property at address 241 Myrtle st in Half Moon Bay. We have 2 children Ryan (12) and Sabrina (10).

We originally purchased the home in 2009 to use as a vacation home for our family and a potential retirement home. Our main residence is located in Menlo Park.

In 2014 we decided to start renting 241 Myrtle short term so that we could continue to use the house ourselves yet cover the taxes and mortgage as well as share the house with other non-residents. Before we started renting I contacted the town of Half Moon Bay and found I would need to register as a business and pay TOT taxes which I have done dutifully since we started renting. Our first rent was in spring 2014 and since then we have paid the town roughly \$100,000.

Our house is 1890 sf on a 11,000+ sf lot. It has 4 bedrooms with 2 king beds in 2 rooms and 4 smaller beds in 2 other rooms. The house has 3 full baths and we can comfortably sleep up to 8 people. We have a large well-equipped kitchen that is open to the living room and perfect for a group of 8 or less to prepare meals and socialize. The house is on the last block before the open space begins, facilitating walking and biking on the area paths and beaches. We require a minimum stay of 4 nights which prevents 1 or 2 night party focused rentals. Currently our average nightly rent varies between \$300-\$335 depending on the season.

We have never had a complaint. We keep in touch with our neighbors and have directed them to contact us if there are any problems with the guests. We rent exclusively on VRBO because we find mostly families wishing to rent in a quiet neighborhood. In the 2nd line of our Ad on VRBO it reads: "This is a quiet residential neighborhood that is a great place for a family vacation, but not a good place for large parties.". We have 128 reviews with a 4.8/5 average rating.

The majority of our rentals are to families with children whether young or old. We have an extensive collection of toys passed down from our 2 children that are often appreciated in our reviews. We know from our own experience what it's like to visit and with friends and family so we try to provide a working kitchen with up to date appliances and amenities to facilitate groups preparing food and socializing.

We frequently rent to families composed of 3 generations. Thanks to our reasonable nightly rent we cater to families and friends with a wide range of incomes. Our 4 bed 3 bath 1890 sf house and 11,000 sf lot rents for less than some hotel rooms in the area.

I would like the city council to consider the question: When your owner occupied restriction becomes law, who will provide a large home equipped for families and friends exclusive use at a reasonable cost on the coastside? Your proposed restrictions will deny less affluent families the ability to gather in a private home in a quiet family oriented neighborhood and restrict access to the trails and beaches of Half Moon Bay to non-residents.

We have no issue with limiting the amount of short term rentals and fully understand the objection to a neighborhood block having too many short term rentals. That is not the case in our block of Myrtle street. We believe that a certain percentage of non-owner occupied short term rentals should be allowed and not restrict access to residents only.

Please note a quote from a Researcher Note on the subject at hand:
https://lawreview.law.ucdavis.edu/issues/53/4/note/files/53-4_Morrison.pdf

“Protecting California’s coast from development and ensuring equal public access to the state’s iconic natural resource are among the main goals of the California Coastal Commission (CCA). The Commission is tasked with carrying out and defending these goals. Recently, many cities have sought to ban short term rentals like Airbnbs. **These bans are in direct conflict with the CCA because they reduce the amount of affordable overnight accommodations in coastal areas, and thus restrict public coastal access.** The Commission has rejected nearly all such bans, prompting cities and counties to call into question the scope of the Commission’s authority. The Commission’s authority over this issue is justified because short term rentals are properly encompassed within the broad definition of development, which is subject to Commission review in the coastal Zone. ... Finally, Commission review of short-term rental bans in the coastal zone makes sense as a matter of public policy.”

Note that Laguna Beach recently settled with the CCA by allowing some non owner occupied residences:

<https://www.lagunabeachindy.com/coastal-commission-oks-laguna-beach-ban-on-new-short-term-rentals-in-residential-zones/>

“Laguna Beach currently has 117 short-term lodging units currently operating in the city limits, including 79 in residential-zoned districts. All of these units will be allowed to continue operations. Following the Coastal Commission’s approval on Wednesday, Laguna Beach could allow up to 465 short-term rental units, including 300 non-home sharing units and 165 home-share units.”

Thank you for your time and consideration.

Joe Junkin & Laura Pisan

650.380.0560

Public comments submitted to the Coastal Commission are public records that may be disclosed to members of the public or posted on the Coastal Commission’s website. Do not include information, including personal contact information, in comments submitted to the Coastal Commission that you do not wish to be made public. Any written materials, including email, that are sent to commissioners regarding matters pending before the Commission must also be sent to Commission staff at the same time.

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

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

February 28, 2022

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

Dear Mr. Carl and Meses. Rexing and KoppmanNorton:

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

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

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

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

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

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

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

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

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

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

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

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

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

2. The proposed cap of 60 nights per year for each property is an arbitrary limit that serves only to limit the access to the property by interested renters and limit the revenue from the property to the owner. **Note that San Diego's proposed STR ordinance caps whole home unhosted nights at 90 days, which is 50% higher than what is proposed in the Proposed Ordinance. This difference has a profound impact on the number of room nights available during the year.**

3. The limit on number of occupants (8) is another arbitrary limit that is not tied to the capacity of the relevant dwelling or the number of bedrooms/beds. Many STRs in Half Moon Bay can comfortably accommodate 10 or even 12 occupants.

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

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

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

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

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

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

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

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

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

Section 30213 of the California Coastal Act provides that:

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

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

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

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




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

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

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

Sincerely,

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

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

From: [B N](#)
To: [Benham, Peter@Coastal](mailto:Benham.Peter@Coastal); [Debbie Ruddock](mailto:Debbie.Ruddock); [bonnie nardi](mailto:bonnie.nardi)
Cc: [Brownsey, Donne@Coastal](mailto:Brownsey.Donne@Coastal); cgroom@smcgov.org; marc.berman@asm.ca.gov; josh.becker@sen.ca.gov; [Ainsworth, John@Coastal](mailto:Ainsworth.John@Coastal)
Subject: some thoughts on short term rentals in Half Moon Bay
Date: Monday, June 13, 2022 3:59:51 PM

Dear Mr. Benham,

Thank you very much for talking to me last week about short term rentals in Half Moon Bay. You said you have heard from a vocal group of STR owners. I would like to add my perspective as a homeowner. Since March 2021, a new set of customers has appeared most weekends in the house next door to me (to the east). It is now an AirBnB, after it was sold in December, 2020.

I have lived in Half Moon Bay since 2001. My family built a house here, never dreaming that the law would change to allow businesses in our neighborhood. With an AirBnB right next door, owned by someone who lives outside Half Moon Bay, there are no longer any neighbors at 310 Central Avenue. STRs undeniably change the residential character of a neighborhood. Whether the zoning is technically changed or not I do not know, but I do know that the average person who builds a house in a neighborhood zoned residential has no expectation that a business will ever move in next door. Which is what has happened to me.

My biggest issue is that instead of neighbors, I have a different set of strangers next door almost every weekend. Even with a 60 night limit, I would expect the same; I do not see a means of enforcing such a restriction. The owner of the business can say that friends or relatives are using the property. Without expensive litigation it would be hard to prove who is actually in the house. It's not realistic to expect people not look out for their financial interests. That is why they invest in a business. That is why the vocal STR owners are against a residency requirement but less concerned about a 60 night limit. (Long-term rentals are businesses too, but tenants move in and become residents and neighbors, so the problem of new strangers every weekend does not arise.)

My second concern is that it is well known that short term rentals become party houses. (Everyone to whom I mention the AirBnB next door responds with, "Party house, eh?") Cities in Hawaii, Florida, and many other places are attempting to deal with this problem, to reign in what is a retrograde use of residential space. Some years ago, right on my own block on Central Avenue, a VRBO experienced the party house problem. The police were called. That house has not been rented out for a long time. But I know that disruptive behavior of non-residents who have no stake in a neighborhood can happen anywhere, and has in fact happened a stone's throw from my own home. I honestly do not feel safe with overnight strangers coming and going all the time.

I believe the rationale for allowing businesses in residential areas is to make the Coast more accessible. I am struggling to understand how it is not accessible. Half Moon Bay is packed to the gills every weekend and holiday period. There is plenty of hotel space, and there are conventional bed and breakfast establishments, short term apartments on Main St., rooms for rent in owner-occupied homes, campgrounds, and much more, at many price points. The house next door to me rents for \$700+ per night, with taxes and fees, so it's not a budget option helping lower income people.

AirBnB began as a way for people to rent out rooms or backyard cottages. That is fine; the owners are still residents living in a residential neighborhood. Things change when the owner lives somewhere else and the occupants of a house are an ever-changing set of customers. This is the situation I hope you will think more carefully about. I am not sure why the interests of long term residents such as myself would take a back seat to non-resident business owners.

The Mayor and the City sent the Coastal Commission a draft of an ordinance, which, while not perfect in my view, would be much more enforceable with its residency requirement. I hope that you will consider that our local government knows and understands Half Moon Bay well. I support what they have advised.

I discussed this issue with Half Moon Bay Mayor Debbie Ruddock and she suggested that I cc the additional people I have cc'ed.

Thank you.

Bonnie Nardi
308 Central Ave.
Half Moon Bay, CA 94019
bonnienardi@gmail.com

Suzan Suer 206 Washington Blvd. Half Moon Bay, California. 94019

Input into Half Moon Bay and Coastal Commission Short Term Rental Policies

August 23, 2022

Joe Butcher City of Half Moon Bay Community Preservation Specialist jbutcher@hmbcity.com
Jill Ekas, City of Half Moon Bay Community Development Director ekas@hmbcity.com
Matthew Chidester, City of Half Moon Bay Assistant Manager MChidester@hmbcity.com
Peter Benham, CA Coastal Commission, No Central Coastal Planner peter.benham@coastal.ca.gov
NorthCentralCoast@coastal.ca.gov

Dear Respected Government Officials,

I understand and support efforts to make public beach access a priority. I was a low income So Cal suburban kid who spent many summer days at public California beaches (particularly Zuma beach ☺). I feel strongly about enabling beach access for all.

However, as someone who now lives directly across from a short term rental (STR) owned by an out-of-area investor, I ask you to do more to balance beach access with other important state and local priorities including: 1) protecting and preserving neighborhood character and quality of life; 2) increasing access to rentals to address the California housing shortage (consistent with the aims of SB 9); 3) prioritizing resident over investor considerations; 4) minimizing detrimental impacts of STRs; and 5) ensuring consistency of STR guidelines.

There has been an increase of investors on the coast who show no interest in personal residential or vacation use, or in creating community. Instead, their focus is on maximizing lucrative STR revenues by leveraging online platforms such as Airbnb, VRBO. Research has found that commercial STRs reduce access to traditional rental housing, contribute to higher rental prices, and create unfair competition to local hotels. I object to policies that are favorable to this type of investor, particularly when local residents are disadvantaged by their actions.

The purpose of this letter is to provide input into Half Moon Bay STR policies, and to ask both the City of Half Moon Bay and the Coastal Commission to consider restrictions on activities where the intent of the STR owner is principally commercial in nature.

My aim is to offer background and inputs for policy consideration, organized in the following manner:

- *Context:* Provides background on how the STR across from me operates
- *Proposed outcomes/key principles:* Suggested principles to guide Half Moon Bay and Coastal Commission STR and other policies
- *Rental recommendations:* Suggests permissions and restrictions for your consideration, based on review of many city policies within California
- *Exhibits:* photos of real life living across the street from a full-time STR

Thank you for the opportunity to provide input.

Respectfully,
Suzan Suer

Input into short term rental policies for Half Moon Bay

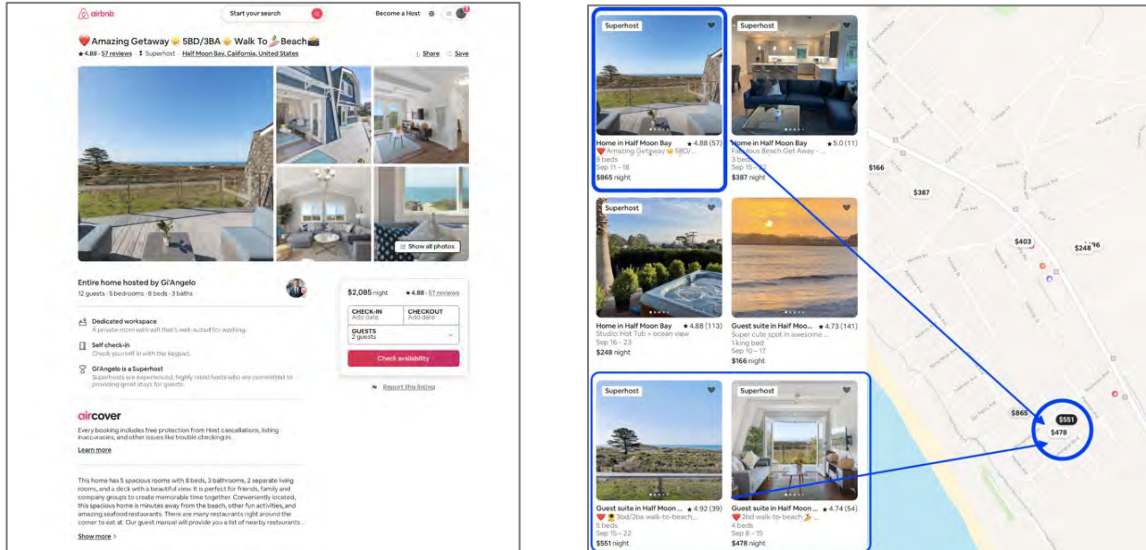
Context: I live directly across from a single-family residence that has been divided into two units. It is investor owned and third party managed—and operates in a commercial manner comparable that of a two-unit motel.

- **The current STR was originally sold as a single-family residence:** The home sold in June 2014 for \$1.8 million. At that time, the home was 5 bedrooms, 3 baths, 2566 sq ft, no garage. The building configuration suggested the potential for part of the home to be converted to an Accessory Dwelling Unit (ADU). (Specifically, one section of the home has three bedrooms, and there is a wall and interconnecting door separating this from the other section of the home which has two bedrooms)
- **The owners appear to be ‘investors’ whose primary motivation is to maximize rental income:** The property is non-owner occupied. The owners live in Hillsborough and the property is managed by a third party. A local realtor told me they approached the property manager with tenants interested in a long-term rental and was told the owners preferred to maximize the short-term income.
- **Property not approved as an ADU yet is commonly rented out as two units:** The owners never obtained Half Moon Bay ADU approval—yet they frequently rent out the two sections of the home separately/concurrently. Even if this was an approved ADU, Half Moon Bay guidelines require the owner to live in one of the units before allowing the second unit to be rented out.
- **Does not conform to duplex requirements of California Senate Bill 9:** Senate Bill 9 allows duplexes on formerly single unit residences but “the rental of any unit created must be for a term longer than 30 days”. The owners have not obtained approval to create a duplex yet—as noted above—they frequently rent out the two units separately/concurrently.
- **This is luxury vacation housing with pricing likely to be out of reach for moderate income individuals:**
 - Full home rental accommodates up to 12 people. The home is frequently used in a ‘party’ or ‘event’ context. On August 21st availability for 12 persons and the rate was \$1,117 per night: see link [here](#). A screen capture taken on August 2, 2022, shown below, showed even higher rates of \$2,085 per night when occupied by 12 persons.
 - When searching on Airbnb for a lesser number of guests (e.g., 2 to 6), you can find the property marketed as two separate units. The smaller unit is marketed as a ‘guest suite’ as listed on Airbnb. (For example the ‘guest suite’ for 4 persons is currently available at \$660 per night: see link [here](#)). A screen shot taken on August 2, 2022, shown below, shows the two smaller units listed at \$551 and \$478 respectively.

Suzan Suer 206 Washington Blvd. Half Moon Bay, California. 94019

Input into short term rental policies for Half Moon Bay

- The second screenshot taken on August 2, 2022 also shows that the three different options are marketed concurrently on Airbnb.



- **The nature of the STR rental is inherently disruptive to the neighborhood.**
 - The STR is seldom rented for more than one week; rentals of two to three days seem to be most common.
 - While many of the renters are respectful, this is not always the case. We have previously reported issues with trash, noise, and lighting. (I should note that the frequent trash overflow has improved and only occurs following large events.)
 - The STR is frequently used for large gatherings—despite Airbnb and VRBO listings prohibiting ‘events’. Large family reunions can be very sweet; some of the large parties can be very disruptive. Every new rental brings questions of what to expect.
 - It is routine for occupants to bring 5 or more cars. Larger events and parties can bring 10 or more cars. Typically, car parking spills onto the private lot next door.
 - Some of the cars choose not to park in the assigned parking area and instead crowd into the street (see Exhibits, “Typical STR Car Parking Scenarios, photo 4). Out of concern for ensuring emergency vehicles have sufficient clearance, I have sometimes had to ask guests to move their cars onto the assigned parking areas.
 - It is common for larger parties to treat the privately owned lot next door as an attached recreational area.
 - I am concerned when I see very large groups (20+ persons) out on the deck, I doubt that the deck was engineered for such purposes.

Input into short term rental policies for Half Moon Bay

Proposed outcomes/key principles underlying Half Moon Bay Short Term Rental policy:

I propose the following as desired outcomes, objectives and/or key principles to guide the Half Moon Bay and Coastal Commission short term rental policies:

1. Foster consistent STR policies throughout the state: Regulate privately-owned residential dwellings used as STRs, and apply regulations consistently
2. Develop policies that strengthen and preserve the character of Half Moon Bay neighborhoods:
 - Actively seek to maintain the neighborhood character in residential areas; **avoid “commercial ‘touristification’ in our residential neighborhoods”** (language from City of Laguna Beach)
 - Encourage the city’s rental housing stock to be preserved for longer term renters; favor policies encouraging long term rentals over short term rentals
Note: Traditional rental properties are scarce on the coast. Earlier this year I helped a very independent 80-year-old friend look for a rental. It took almost 3 months to find a one-bedroom rental under \$3,000!!!
 - Encourage housing policies to increase affordable housing for lower income individuals and seniors (e.g., support policies for affordable ADUs, including in beach areas)
 - Minimize the potential negative effects of STR units on surrounding residential neighborhoods (e.g., noise, crime) and ensure that any STRs are not a burden on city services
3. Support policies designed to discourage STR investor/owners whose primary focus is to maximize short term income; encourage policies that favor full and/or substantial residency and neighborhood commitment:
 - Impose limitations on the number of days that unhosted rentals can be used for STRs; conversely encourage unhosted rentals of 30 days and longer
 - Impose residency requirements on the licensing process and/or confirm personal use of the property
4. Support resident homeowner ability to manage the affordability of their homes by offering some flexibility to rent out unused space:
 - Do not consider arrangements for home sharing or home exchanges to be STRs
 - Enable owner occupied homes to be rented out during short owner absences (e.g., while on vacation)

Input into short term rental policies for Half Moon Bay

- Enable owners with a vacation home in Half Moon Bay but a primary home elsewhere to rent out their home for long term rentals and/or to rent out their home for a limited number of STR days per year
- 5. Support the Coastal Commission aims of providing access to the coast
 - Ensure STR policies do not otherwise negate or preclude tourist beach access
 - Continue to allow street parking by nonresidents in beach areas
 - Ensure adequate infrastructure to support tourists in beach areas (e.g., bathrooms, trash facilities)
 - Support policies encouraging increased housing stock in coastal areas

Common rental restrictions: I have personally reviewed the STR policies of many cities, and support the following commonly adopted policies for Half Moon Bay:

1. **Rentals of unhosted rentals less than 30 days generally not allowed in residential neighborhoods** (e.g., Manhattan Beach, Laguna Beach, Palm Desert, Santa Monica).
 - Favor STRs in commercial districts, perhaps without restrictions on the number of days per year these can operate

Note: There is strong demand for residential rentals of more than 30 days so I do not believe this should significantly inconvenience owners except those seeking maximum daily rental income.

2. **Support limitations on number of STR days in residential areas that can be rented without the owner on the premises** (e.g., **San Mateo County Coastal Zone restricts STRs to 180 days per year**; San Francisco restricts unhosted rentals to 90 days per year)

Specific recommendations for Half Moon Bay:

- Enable unhosted STR rentals in residential areas for no more than 90 days per year.

Note: I feel strongly that STRs should not exceed 180 days under any scenario; as a former landlord myself, I believe there is strong demand for multi-month furnished rentals.
 - Enable owner-occupied homes in residential areas to offer unlimited home sharing and/or hosted STRs (i.e., while owner is on the premises)
3. **No rentals on protected housing stock:** No rentals of units that are designated for accessory dwelling units, senior housing (whether publicly or privately managed), low-cost housing etc.

Input into short term rental policies for Half Moon Bay

4. **Maximum occupancy requirement:** A common limitation is two persons per bedroom (sometimes plus two additional persons, e.g., County of San Mateo Coastal Zone; City of Santa Monica limits occupancy to one person per 200 sq ft.)

Specific recommendations for Half Moon Bay: Limit number of occupants to no more than 2 persons per room/10 person maximum. (I would prefer to see STRs limited to 8 persons)

5. **Parking requirements:** At least two on-site parking spaces for short term renters (e.g., Laguna Beach); limit number of cars that can be parked on the street (e.g., Palm Desert requires all parking to be on-site)

Specific recommendations for Half Moon Bay: Limit number of cars to four (two required onsite parking spaces and up to two cars parked on the street).

6. **Licensing:** All have some form of permit or licensing requirement; levels of fees vary. Some require a public hearing and/or to require applicants to provide at-scale drawings of the housing space and to notify neighbors

7. **Adoption of Good Neighbor Policies:** Many cities have drafted formal 'good neighbor policies' that spell out expectations and requirements for rentals and that are provided to occupants (e.g., Oceanside, Palm Springs, Monterey County)

8. **Responsiveness to issues/complaints:** Many require the operator and/or his agent to be available 24-hours per day for the purpose of responding within sixty (60) minutes, to complaints concerning his/her guests.

9. **Violation fees and/or penalties:** Often steep violation fees

Specific recommendations for Half Moon Bay: Terminate ability to offer STRs after three documented violations.

Suzan Suer 206 Washington Blvd. Half Moon Bay, California. 94019

Input into short term rental policies for Half Moon Bay

Exhibits: Photos of living across the street from a short-term rental in a beach neighborhood

Typical STR Car Parking Scenarios



Suzan Suer 206 Washington Blvd. Half Moon Bay, California. 94019

Input into short term rental policies for Half Moon Bay

Exhibits: Photos of living across the street from a short-term rental in a beach neighborhood

Big Party Car Parking Scenarios



Suzan Suer 206 Washington Blvd. Half Moon Bay, California. 94019

Input into short term rental policies for Half Moon Bay

Exhibits: Photos of living across the street from a short-term rental in a beach neighborhood

Big Party Car Parking Scenarios (continued)



Bachelorette Party



Bachelorette Party Prep



Suzan Suer 206 Washington Blvd. Half Moon Bay, California. 94019

Input into short term rental policies for Half Moon Bay

Exhibits: Photos of living across the street from a short-term rental in a beach neighborhood

Wedding Event



Big Thanksgiving Party



20 people + Yoga Retreat (during the pandemic!)



Suzan Suer 206 Washington Blvd. Half Moon Bay, California. 94019

Input into short term rental policies for Half Moon Bay

Exhibits: Photos of living across the street from a short-term rental in a beach neighborhood

Trash Piling Up (thankfully, doesn't happen as often)



Inconsiderate Occupants – light shining in our living room (a frequent occurrence)



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

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

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

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

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

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

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

How this happened:

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

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

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

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

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

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

Good things about the ordinance

Some of the details in the ordinance are very commendable:

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

all are absolutely reasonable.

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

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

Primary complainer discussion:

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

This complainer contrived stories about activities on my property and pitched the sequence of lies to the city council in the open forum at their meeting to review the proposed ordinance¹. Every city council member mentioned the need to address his lies (as if they were facts) in their subsequent discussion and they sent the planning commission back with instructions to⁽⁵⁾:

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

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

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

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

Open questions:

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

Backup Information Links

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

<https://drive.google.com/file/d/1-WFtCeV90Tqqhoay-M320W4KvRkC8UdT/view?usp=sharing>

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

<https://drive.google.com/file/d/1-h0fWnz069iTga7lmgBNPTxnsLcLTOKr/view?usp=sharing>

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

<https://docs.google.com/spreadsheets/d/1tAeLTziGe2RClwDZ9XzQjabvmV13f3NZdzTnW3IKFQM/edit?usp=sharing>

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

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

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

<https://docs.google.com/spreadsheets/d/1zHQ7i7IJC6YKmBaaLZKpD0zjvetzSvDhxhc4F5CwG6s/edit?usp=sharing>

Benham, Peter@Coastal

From: Marianna Stark <mstarkgallery@gmail.com>
Sent: Thursday, December 16, 2021 8:41 AM
To: Rexing, Stephanie@Coastal; KoppmanNorton, Julia@Coastal
Cc: Joe Butcher
Subject: Feedback on STR restrictions in Half Moon Bay commercial downtown district

Dear Ms. KoppmanNorton and Ms. Rexing,

Please find below my feedback on current STR restrictions in Half Moon Bay's commercial downtown district. Are you the appropriate people to share this with? Please let me know if I should direct this to a different member of your team.

Dear California Coastal Commission,

I am writing to ask the Coastal Commission to exempt STRs in the commercial downtown district of Half Moon Bay from any cap on the number of rental nights allowed annually.

I am the owner of 727 Main Street in Half Moon Bay, a 2,400 sq ft mixed-use building in the Commercial Downtown district. After remodeling, the building will be comprised of two 2-bedroom apartments and one retail space which will house a visitor-serving fine art gallery run by me, a sole-proprietor.

As the HMB STR ordinance is currently drafted, I am allowed one non-owner occupied STR in my two-residence building, however it is subject to the same 60-day annual rental nights maximum imposed on STRs in residential neighborhoods.

The ordinance should not be biased against operators of this new form of lodging in the appropriate commercial district. The STR business model is an evolution of the lodging industry, offering amenities and experiences not served by hotels/motels/bed & breakfasts. STR lodging is very popular with the general public and often preferable to traditional lodging. Maximum number of nights should not be curtailed in the appropriate commercial district.

The innate advantage to HMB of STRs in the downtown commercial district is that many businesses that rely on tourism are walkable. My building has an 82 Walk Score, and many more destinations can be reached by bike.

In my non-owner occupied unit, I would like to offer 7-30 day rentals, for up to 365 days per year, which will allow all local businesses to benefit from my guests: groceries, farmers markets, restaurants, retailers, community theater, etc., and give my guests more time to enjoy all the beauty and recreation the San Mateo Coast has to offer.

STRs where the renter has more space including a full kitchen, and often outdoor space, is preferable for families with kids and pets, and the gear that comes with kids and pets. STRs offer families more space and value than hotels/motels/bed & breakfasts, making longer stays more affordable when the family can choose to cook in the STR occasionally.

Mine is not a residential block. On Main Street in HMB we have hotels, motels, one Bed & Breakfast, with a second Bed & Breakfast one block off Main Street. A new large hotel is being planned for the south end of Main Street. I am on a block with doctor offices, an outdoor bar/restaurant, a bank, swim school, plant nursery, the Water District office, the IDES Portuguese men's social club, and various offices for small business.

The maximum occupancy of my two-bedroom STR is 4 guests, which will not lead to becoming a "party house," a valid concern in residential neighborhoods. I will ensure this is the case.

I respectfully ask the Commission to consider amending the Half Moon Bay STR ordinance to not impose any biased restrictions on the number of nights allowed for STR reservations in the commercial downtown district.

Thank you for your consideration,

Marianna Stark

Owner

727 Main Street

Half Moon Bay, CA 94019

Marianna Stark

M Stark Gallery

OPENING 2022

727 Main Street, Half Moon Bay, CA 94019

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