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Prepared March 29, 2024 for April 11, 2024 Hearing

To: Commissioners and Interested Persons

From: Stephanie Rexing, North Central Coast District Manager
Luke Henningsen, Coastal Planner, North Central Coast

**Subject: County of Sonoma LCP Amendment Number LCP-2-SON-23-0042-1
(Vacation Rental Requirements)**

SUMMARY OF STAFF RECOMMENDATION

Sonoma County proposes to amend its Local Coastal Program (LCP) Implementation Plan (IP) to add provisions to help regulate what the County refers to as “vacation rentals” (VRs) (commonly referred to as “short-term rentals” (or STRs) elsewhere, but that is not the terminology used by this LCP). The Sonoma County LCP does not currently explicitly regulate VRs, and the County intends this amendment to be the beginning of an effort to do so. In other words, the proposed amendment would put in place some basic permitting and operational requirements, but it would not extend to VR limits of the type that have been common in some other coastal zone communities (e.g., caps). Instead, any such further limitations would be pursued at a future date by the County, including through a future community planning process. For now, the proposed amendment introduces basic licensing, permitting, and use requirements and limitations, where the latter focuses on occupant limits and parking requirements. VRs would generally only be allowed in single-family residential dwellings and would not be allowed in designated affordable and/or agricultural housing, or ADUs.

The LCP’s Land Use Plan (LUP) provides the standard of review for the proposed IP amendment, and it encourages visitor serving and commercial facilities provided adequate services are available, and provided that offsite impacts are minimized (e.g., as sometimes attributed to VRs, noise). As indicated, the proposed changes are fairly limited, and really simply represent a start towards a more robust VR regulatory program under the LCP. As proposed, they are supported by the LUP, and staff recommends that the Commission approve the proposed amendment as submitted. The one motion necessary to implement this recommendation can be found on page 3 below.

Staff Note: LCP Amendment Action Deadline

This proposed LCP amendment was filed as complete on March 11, 2024. The proposed amendment affects the LCP’s IP only, and the 60 working day deadline for the Commission to take action on it is June 5, 2024. Thus, unless the Commission extends

the action deadline (it may be extended by up to one year), the Commission has until June 5, 2024 to take a final action on this LCP amendment.

Therefore, if the Commission fails to take a final action in this case at this Commission meeting (e.g., if the Commission instead chooses to postpone/continue LCP amendment consideration), then staff recommends that, as part of such non-final action, the Commission extend the deadline for final Commission action on the proposed amendment by one year. To do so, staff recommends a YES vote on the motion below. Passage of the motion will result in a new deadline for final Commission action on the proposed LCP amendment. The motion passes only by an affirmative vote of a majority of the Commissioners present.

Alternate Time Extension Motion: I move that the Commission extend the time limit to act on Sonoma County Local Coastal Program Amendment Number LCP-2-SON-23-0042-1 to June 5, 2025, and I recommend a yes vote.

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EXHIBITS

Exhibit 1: Proposed LCP Amendment

1. MOTION AND RESOLUTION

Staff recommends that the Commission, after public hearing, approve the proposed LCP IP amendment as submitted. Thus, Staff recommends a **NO** vote on the motion below. Failure of this motion will result in certification of the IP amendment as submitted and the adoption of the following resolution and findings. The motion passes only by an affirmative vote of a majority of the Commissioners present.

Motion: *I move that the Commission reject Implementation Amendment Number LCP-2-SON-23-0042-1 as submitted by Sonoma County, and I recommend a no vote.*

Resolution to Certify: *The Commission hereby certifies Implementation Amendment Number LCP-2-SON-23-0042-1 as submitted by Sonoma County, and adopts the findings set forth below on grounds that the amendment conforms with the provisions of the certified Sonoma County Land Use Plan. Certification of the amendment will meet the requirements of the California Environmental Quality Act, because either 1) feasible mitigation measures and/or alternatives have been incorporated to substantially lessen any significant adverse effects of the amendment on the environment, or 2) there are no further feasible alternatives or mitigation measures that would substantially lessen any significant adverse impacts on the environment that will result from certification of the amendment.*

2. FINDINGS AND DECLARATIONS

A. Proposed LCP Amendment

Sonoma County proposes to amend its Local Coastal Program (LCP) Implementation Plan (IP) to add provisions to help regulate what the County refers to as “vacation rentals” (VRs) (commonly referred to as “short-term rentals” (or STRs) elsewhere, but that is not the terminology used by this LCP). The Sonoma County LCP does not currently explicitly regulate VRs, and the County intends this amendment to be the beginning of an effort to do so. In other words, the proposed amendment would put in place some basic permitting and operational requirements, but it would not extend to VR limits of the type that have been common in some other coastal zone communities (e.g., caps). Instead, any such further limitations would be pursued at a future date by the County, including through a future community planning process. For now, the proposed amendment introduces basic licensing, permitting, and use requirements and limitations, where the latter focuses on occupant limits and parking requirements. VRs would generally only be allowed in single-family residential dwellings and would not be allowed in designated affordable and/or agricultural housing, or ADUs.

Specifically, the proposed amendment would: establish that VRs require a VR license (where any VR already legally operated would be required to obtain such license within one year); limit VR licenses to one per residential property owner; limit VRs to one per parcel; define “vacation rentals” as “the tenancy of residential property for a term of 30 days or less that is subject to transient occupancy tax”; allow VRs in detached single family dwelling units (including any legally established guest houses related to such

units);¹ prohibit VRs in designated affordable and/or agricultural housing, accessory dwelling units (ADUs) or junior ADUs, and in timeshares; limit VR occupancy to 2 guests per bedroom, plus 2 additional guests per property, up to a maximum of 12 guests, not including children under 3 years old; further limit VR occupancy to septic capacity; and establish minimum on-site parking requirements, including to prohibit VRs without available parking. Please see Exhibit 1 for the full text of the proposed IP amendment.

B. LUP Consistency Determination

Standard of Review

The proposed amendment affects only the IP component of the Sonoma County LCP. The standard of review for IP amendments is that they must be consistent with and adequate to carry out LCP LUP provisions.

Applicable LUP Provisions

The LCP's LUP includes provisions that encourage lower cost accommodations in existing structures, that encourage visitor serving and commercial facilities provided adequate services are available, and that require offsite impacts to be minimized. The LUP states:

LUP Policy V-47-4: Encourage the provision of low cost accommodations where appropriate... Utilize existing structures where feasible.

LUP Policy V-57-1: Encourage the development and expansion of visitor serving and commercial facilities within urban service and rural community boundaries where coastal requirements, including water provision and waste disposal, can be met.

LUP Policy V-57-3: Consider modest scale expansion of existing visitor serving and commercial facilities outside of urban service and rural community boundaries where other coastal requirements can be met.

LUP Policy V-57-4: Encourage, where appropriate, the provision of modest size and scale accommodations with minimal impacts on the coastal environment, including bed and breakfast accommodations in existing homes, rental of second homes, guest ranches, inns, and motels.

LUP Policy VII-51-12: Locate and design all development to minimize the impacts of noise, light, glare, and odors on adjacent properties and the community at large.

Consistency Analysis

Sonoma County's coastal zone is fairly remote, with limited areas of more densely aggregated development, and a series of smaller communities strung along its nearly

¹ The certified LCP IP defines a guest house as "an accessory building which consists of a detached living area of a permanent type of construction with no provisions for appliances or fixtures for the storage and/or preparation of food, including, but not limited to, refrigeration, dishwashers or cooking facilities." In other words, an LCP-defined guest house is not a self-contained residential unit or a 'house' (as that term is generally understood) at all, despite its name, and is best understood as a detached room associated with the main residence.

50-mile coastline. The County's coast is also quite dramatic, and a prime visitor destination, including for those looking for such coastal scenery, as well as those looking for a generally slower pace at the same time. Because the coastline here is located fairly far from more inland population centers, day trips for such visitors can be challenging and time consuming, in turn making overnight stays a popular and often more convenient means of coastal access. Given the limited number of 'standard' commercial hotel/motel overnight accommodation options, VRs help to perform that function as well, including as required by the LUP standards to both encourage low cost accommodations (which some short term rentals usually fill) and to encourage "modest size and scale accommodations" in rental of second homes and guest ranches. As with other areas of the coast, in Sonoma such VRs can also help to provide an array of accommodation types, sizes, and price points to potential visitors, some of which more readily accommodate larger group and family needs, and can help curb costs overall (e.g., by providing kitchens, which can help save money associated with being forced to eat out). Despite the lack of explicit LCP governance, VRs have long been a fairly common and ingrained part of the fabric of the coast, and an important tax revenue source to the County. Put another way, there is a long history of fairly integrated VR operation, and it is an important part of the visitor experience along this coastline, including in terms of providing more affordable options for families and larger groups in many cases.

The County's objectives in this proposed LCP amendment are thus somewhat different than many that the Commission reviews, and are focused on introducing basic licensing, permitting, and use requirements and limitations, where the latter focuses on occupant limits and parking requirements. VRs would generally only be allowed in single-family residential dwellings and would not be allowed in designated affordable and/or agricultural housing, or ADUs. All of which should help to protect such housing options for strictly housing uses, including as it relates to both designated affordable and agricultural housing and 'more affordable by design' types of housing (e.g., ADUs). In short, the proposed changes are fairly limited, and simply represent a start toward a more robust VR regulatory program under the LCP. As proposed, they are supported by the LUP, and thus the proposed IP amendment conforms with, and is adequate to carry out, the LUP.

C. California Environmental Quality Act (CEQA)

CEQA Section 21080.5(d)(2)(A) prohibits a proposed LCP or LCP amendment from being approved if there are feasible alternatives and/or feasible mitigation measures available that would substantially lessen any significant adverse effect that the LCP or LCP amendment may have on the environment. Although local governments are *not* required to satisfy CEQA in terms of local preparation and adoption of LCPs and LCP amendments, many local governments use the CEQA process to develop information about proposed LCPs and LCP amendments, including to help facilitate Coastal Act review. In this case, the County exempted the proposed amendment from environmental review (citing CEQA Sections 15307 (maintenance of natural resources), 15308 (protection of the environment), and 15061(b)(3) (no significant environmental impact)).

The Coastal Commission is *not* exempt from satisfying CEQA requirements with respect to LCPs and LCP amendments, but the Commission's LCP/LCP amendment review, approval, and certification process has been certified by the Secretary of the Natural Resources Agency as being the functional equivalent of the environmental review required by CEQA (CCR Section 15251(f)). Accordingly, in fulfilling that review, this report has discussed the relevant coastal resource issues with the proposal, has addressed all comments received, and has concluded that the proposed LCP amendment is not expected to result in significant environmental effects, including as those terms are understood in CEQA.

Accordingly, it is unnecessary for the Commission to suggest modifications (including through alternatives and/or mitigation measures) as there are no significant adverse environmental effects that approval of the proposed amendment would necessitate. Thus, the proposed amendment will not result in any significant adverse environmental effects for which feasible mitigation measures have not been employed, consistent with CEQA Section 21080.5(d)(2)(A).

3. APPENDICES

A. Substantive File Documents

- LCP Amendment File for LCP-2-SON-23-0042-1

B. Staff Contact with Agencies and Groups

- Sonoma County "Permit Sonoma" Planning Division