

CALIFORNIA COASTAL COMMISSION

SAN DIEGO DISTRICT OFFICE
7575 METROPOLITAN DRIVE, SUITE 103
SAN DIEGO, CA 92108-4402
VOICE (619) 767-2370



Th16d

LCP-6-ENC-23-0041-1 (Short-term Rental Ordinance)

February 5, 2026

EXHIBITS

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ORDINANCE NO. 2022-16

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF ENCINITAS AMENDING CHAPTERS 30.04 (DEFINITIONS) AND 30.09 (ZONING USE MATRIX) AND ADDING A NEW CHAPTER 30.50 (SHORT-TERM RENTAL) TO TITLE 30 (ZONING) OF THE ENCINITAS MUNICIPAL CODE, AMENDING SECTION 6.05 OF THE ENCINITAS RANCH SPECIFIC PLAN AND SECTION 3.2.5.A ZONING USE TABLE OF THE CARDIFF-BY-THE-SEA SPECIFIC PLAN, AND AMENDING THE LOCAL COASTAL PROGRAM PERTAINING TO SHORT-TERM RENTAL USES

WHEREAS, on October 27, 2021, the City Council of the City of Encinitas, conducted a duly noticed public hearing pertaining to amendments to Chapter 9.38 (REGULATING SHORT-TERM RENTALS) of the Encinitas Municipal Code and requested staff return at a future hearing date with a data driven analysis and identify a process to establish a maximum number of short-term rental permits within the City;

WHEREAS, on November 17, 2021, the City Council of the City of Encinitas, conducted a duly noticed public hearing to introduce Ordinance No. 2021-22 pertaining to amendments to Chapter 9.38 (REGULATING SHORT-TERM RENTALS) of the Encinitas Municipal Code and adopted the amendments on December 8, 2021;

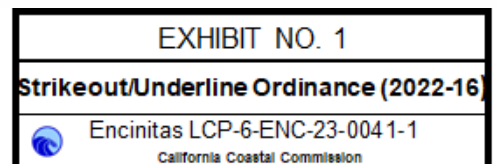
WHEREAS, on April 20, 2022, the City Council of the City of Encinitas (“City”), conducted a duly noticed public hearing and received the data driven analysis requested at their October 27, 2021 public hearing and adopted Resolution No. 2022-38, initiating amendments to the Encinitas Municipal Code and Local Coastal Program (“LCP”) pertaining to short-term rental regulations;

WHEREAS, the data driven analysis found that short-term rental permit holders who are defined as non-hosted units in Chapter 9.38 of the Encinitas Municipal Code do not rent their units at an affordable rate, thereby limiting affordable accommodations to the City’s coastline;

WHEREAS, the data driven analysis found that there are high concentrations of short-term rentals occurring west of Interstate 5 in the City’s community districts known as Cardiff-by-the-Sea, Leucadia, and Old Encinitas, and that the high concentration of units is contributing to adverse impacts due to the escalated demand upon City services from incidents that involve excess noise, disorderly conduct, vandalism, overcrowding, traffic congestion, illegal vehicle parking and accumulation of refuse, which require response from police, fire, paramedic and other City services and can escalate the demand for such services;

WHEREAS, the impacts described above typically occur on non-hosted short-term rental unit properties as evidenced by the public testimony received in 2021, which further necessitates the City to take additional actions to establish land use regulations for short-term rental units to limit the number of non-hosted short-term rental units citywide, and within the aforementioned community districts in addition to establishing a distance requirement between these units;

WHEREAS, on October 6, 2022, the Planning Commission conducted a duly noticed public hearing to discuss and consider proposed amendments to Title 30 of the Encinitas Municipal Code (“EMC”) and LCP to limit and regulate the impacts relating to the short-term rentals and considered public testimony and adopted Resolution No. PC 2022-22 recommending the City Council to approve draft Ordinance No. 2022-16;



WHEREAS, the proposed amendments to EMC Title 30, the Encinitas Ranch Specific Plan, and the Cardiff-by-the-Sea Specific Plan are components of the City's LCP; therefore, the LCP is also proposed to be amended;

WHEREAS, a Public Notice of Availability of proposed Local Coastal Program Amendments (LCPA) was issued which opened a six-week public review period that ran from September 16, 2022 through October 28, 2022;

WHEREAS, the City Council conducted public hearings on November 9, 2022 and December 14, 2022 for the purpose of considering the proposed amendments to the Encinitas Municipal Code, Encinitas Ranch and Cardiff-by-the-Sea Specific Plans, and Local Coastal Program amendments;

WHEREAS, the City Council has duly considered the totality of the record and all evidence submitted into the record, including public testimony and the evaluation and recommendations by staff and Planning Commission, presented at said hearings;

WHEREAS, notices of said public hearings were made at the time and in the manner required by law;

WHEREAS, the City Council finds that this Ordinance is intended to be carried out in a manner in full conformance with the California Coastal Act of 1976 and the Development Services Director is hereby authorized to submit this Ordinance as part of the Local Coastal Program Amendment to the California Coastal Commission for their review and adoption; and

WHEREAS, based on the totality of the record and evidence described and referenced in this Ordinance, the City Council finds that the proposed text amendments are consistent with the purposes of the General Plan, Municipal Code, Specific Plans, and adopted Local Coastal Program.

NOW, THEREFORE, the City Council of the City of Encinitas, California, hereby ordains as follows:

SECTION 1: The recitals above are each incorporated by reference and adopted as findings by the City Council.

SECTION 2: Subsection 30.04.010 of Chapter 30.04 (DEFINITIONS) of Title 30 of the Encinitas Municipal Code is hereby amended to read as follows (~~strikeout~~ is used to denote existing text being deleted; underline is used to denote new text being added):

...

TRANSIENT HABITATION UNIT shall mean living ~~quarters~~ units intended exclusively for occupancy by transient persons for a period of 30 consecutive days or less. ~~See and subject to Chapter 3.12 of the Municipal Code, Transient Occupancy Tax for applicable Transient Occupancy Tax regulations.~~ A transient habitation unit may include a hotel or motel room or suite of rooms, a cabin or campground space, ~~but does not include single-family or duplex units.~~

...

SECTION 3: Subsection 30.09.010 of Chapter 30.09 (ZONING USE MATRIX) of Title 30 of the Encinitas Municipal Code is hereby amended to read as follows (strikeout is used to denote existing text being deleted; underline is used to denote new text being added):

...

USES	ZONES															
	RR; RR-1; RR-2	RS-11; R-3; R- 5; R-8	R- 11; R-15	R-20; R-25	R-30 OL	MHP	OP	LC	GC	VSC	LI	BP	P/SP	ER/ OS/ PK	L-LC	L- VSC
Transient Habitation	X	X	X	X	X	X	X	C	C	C	X	X	C	X	X	C

...

SECTION 4: Add a new chapter titled “Chapter 30.50 (SHORT-TERM RENTAL)” to Title 30 of the Encinitas Municipal Code in its entirety to read as follows:

Chapter 30.50 SHORT-TERM RENTAL

30.50.010 Intent, Purpose and Findings

30.50.020 Definitions

30.50.030 Special Regulations

30.50.040 Enforcement

30.50.010 Intent, Purpose and Findings.

It is the intent of this Chapter to promote and protect the public health, safety, and welfare of the citizens of Encinitas by allowing for and regulating the short-term transient occupancy of single-family or two-family dwelling units within the City’s residential zoning districts. The purpose of this Chapter is to limit the land use impacts that short-term rentals create within the City’s residential neighborhoods, and to preserve, to the greatest extent feasible, the City’s residential rental housing stock, while balancing the general public’s transient access to the City’s coastline.

The City Council of Encinitas finds and declares that short-term rentals are a commercial activity that have negatively impacted the City’s residential neighborhoods. The City Council further finds that a majority of short-term rentals are operated by agents and/or absentee owners, or non-hosted units, and the increase of short-term rentals over time have created adverse impacts due to the escalated demand upon City services from incidents that involve excess noise, disorderly conduct, vandalism, overcrowding, traffic congestion, illegal vehicle parking and accumulation of refuse, which require response from police, fire, paramedic and other City services and can escalate the demand for such services. Finally, a high concentration of short-term rentals occur in the residential neighborhoods west of Interstate 5 and the restrictions within this Chapter are necessary to prevent a greater burden on City services and residential neighborhoods.

30.50.020 Definitions

HOSTED UNIT shall have the same meaning as defined in Section 9.38.020 of this code.

NON-HOSTED UNIT shall have the same meaning as defined in Section 9.38.020 of this code.

SHORT-TERM RENTAL shall mean the rental of any single-family or two-family dwelling unit that is a privately-owned structure, or any portion of any structure (non-accessory dwelling unit as that term is defined in Government Code Section 65852.2, which may be amended from time to time), for the short-term transient occupancy for dwelling, lodging, or sleeping purposes in the City. For purposes of this chapter, non-monetary forms of compensation shall also qualify a property as a short-term rental.

SHORT-TERM TRANSIENT OCCUPANCY shall mean the occupancy of a single-family or two-family dwelling unit, or a portion thereof, for the exclusive use and habitation by transient persons for terms of 30 consecutive days or less and shall be subject to Transient Occupancy Tax (TOT) regulations of Chapter 3.12 of this code.

30.50.030 Special Regulations

All short-term rentals are subject to the permit regulations provided in Chapter 9.38 of this code. This chapter is not intended to provide any owner of a single-family or two-family dwelling unit with the right or privilege to violate any Covenants, Conditions and Restrictions (CC&Rs) applicable to the dwelling unit. The provisions of subsections A and B shall not apply to hosted units citywide or short-term rentals located within the residential neighborhood known as "Seabluffe" (Map No. 7274 of Official Records) in Leucadia. The 255 residential units within Seabluffe shall also be excluded from subsection A.

A. Maximum Number of Permits.

1. West of Interstate 5. The maximum number of permits shall not exceed four percent (4%) of the total residential housing units in existent at the time of application submittal, identified within the prior Housing Element Annual Progress Report or by the State of California Department of Finance annual housing estimates, as determined by the Director of Development Services, within the communities known as Cardiff-by-the-Sea, Leucadia, and Old Encinitas, west of Interstate 5.

2. Citywide. The total number of permits shall not exceed two and one-half percent (2.5 %) of the total residential housing units in existent at the time of application submittal, identified within the prior Housing Element Annual Progress Report or by the State of California Department of Finance annual housing estimates, as determined by the Director of Development Services, within the City, inclusive of the maximum number of permits west of Interstate 5.

B. Location.

1. Non-hosted short-term rental units shall maintain a 200-foot radius between units, as measured property line to property line, from the nearest non-hosted short-term rental.

a. Existing legal non-hosted short-term rental units that do not meet this distance requirement shall become legal nonconforming as of the date of Ordinance No. 2022-16 adoption and shall be eligible for renewal provided the following:

i. The unit has not been subject to revocation and/or any issues in gaining compliance with pending code enforcement actions; and

ii. The unit is current and up-to-date on its Transient Occupancy Tax (TOT) remittance to the City pursuant to Chapter 3.12 of this code.

C. Parking. The property owner shall limit the number of vehicles of overnight occupants to the number designated in the permit which shall not exceed the number of designated on-site parking spaces. All designated on-site parking spaces shall be made available for the vehicles of occupants.

30.50.040 Enforcement

A. It is unlawful for any person to fail to comply with any of the requirements of this chapter or with any standards/conditions of a short-term rental permit, or to operate a short-term rental within the jurisdiction of the City contrary to or in violation of any of the provisions of this chapter, any applicable provisions of this Code, or any other applicable laws, rules, and regulations.

B. Any person who violates any provision of this chapter shall be subject to the fine amounts set forth in Government Code Section 36900(d), as that section may be amended from time to time.

C. Violations of this chapter may be enforced by any method allowed in Chapter 1.08 of this Code, or any other applicable enforcement mechanism available to the City.

SECTION 5: Section 6.05 Overview of the Encinitas Ranch Specific Plan is hereby amended by adding reference to Municipal Code Chapter 30.50 (Short-term Rental) to the list to be integrated into this Section in sequential order, and shall include modifications to the endnote, to read as follows (~~strikeout~~ is used to denote existing text being deleted; underline is used to denote new text being added):

6.05 OVERVIEW

...

To prevent unnecessary redundancy between the Encinitas Ranch and the City of Encinitas Municipal Code, the following chapters and sections in Title 30, as adopted and subsequently amended by the City of Encinitas, are incorporated in their entirety by reference into the Encinitas Ranch Specific Plan, unless otherwise amended or qualified within Section 6.0 of this document:

...

- Chapter 30.50 – Short-term Rental

...

List amended 8/23/95 (Reso. 95-91), 3/18/98 (Reso. 98-17), 2/13/02 (Ord. 2002-02), 11/20/19 (Ord. 2019-15), 11/27/19 (Ord. 2019-16), and 8/11/21 (Ord. 2021-04), and XX/XX/2022 (Ord. 2022-16)

SECTION 6: Section 3.2.5.A Permitted, Conditionally-Permitted and Prohibited Uses – General TABLE 3-1 Zoning Matrix – Use Comparison is hereby amended to read as follows (~~strikeout~~ is used to denote existing text being deleted):

....

Use	ZONE				Notes
	C-R-11	C-OP	C-GC-1	C-GC-2	
Transient Habitation (Ord. 91.03)	X	X	€	€	24-hour on-site management required.

SECTION 7: This project is not subject to review under the California Environmental Quality Act (CEQA) pursuant to General Rule, Section 15061(b)(3) of the California Environmental Quality Act (CEQA) Guidelines since there would be no possibility of a significant effect on the environment and pursuant to CEQA Guidelines Section 15378(b)(5), which exempts organizational or administrative activities of governments that will not result in direct or indirect physical changes in the environment in that the amendments to the Municipal Code and local coastal program regard local administrative procedure updates. Further, this project is categorically exempt pursuant to State CEQA Guidelines Section 15301 Class 1 (Existing Facilities), in that the short-term rental Municipal Code amendments relate to the licensing, permitting, and operation of a short-term rental within an existing private structure that involves negligible or no expansion of use.

SECTION 8: If any section, sentence, clause, or phrase of this Ordinance is determined to be invalid, illegal or unconstitutional by a decision or order of any court or agency of competent jurisdiction, then such decision or order will not affect the validity and enforceability of the remaining portions of this Ordinance. The City Council declares that it would have passed and adopted this Ordinance, and each section, sentence, clause, or phrase thereof, regardless of the fact that any one or more sections, subsections, sentences, clauses, or phrases be declared invalid or unconstitutional.

SECTION 9: The City Clerk is directed to prepare and have published a summary of the ordinance no less than five days prior to consideration of its adoption, and again within 15 days following adoption, indicating the votes cast. This Ordinance will become effective following certification by the California Coastal Commission as being consistent with the Local Coastal Program for the City of Encinitas and California Coastal Act.

INTRODUCED at a regular meeting of the City Council of the City of Encinitas, California, held on this 9th day of November, 2022; and

PASSED, APPROVED AND ADOPTED at a regular meeting of the City Council of the City of Encinitas, California, held on the 14th day of December 2022, by the following roll call vote:

AYES: **Ehlers, Kranz, Lyndes**
 NOES: **None**
 ABSENT: **Hinze**
 ABSTAIN: **None**

APPROVED:

DocuSigned by:

A. J. Kranz

DEA18C8B888E438
 Tony Kranz, Mayor

ATTEST:

DocuSigned by:

Kathy Hollywood

43EC63D341D2448C
Kathy Hollywood, City Clerk

APPROVED AS TO FORM:

DocuSigned by:

Tarquin Preziosi

160D98893D89741D
Tarquin Preziosi, City Attorney

CERTIFICATION

I, Kathy Hollywood, City Clerk of the City of Encinitas, California, do hereby certify under penalty of perjury that the foregoing ordinance was duly and regularly adopted at a meeting of the City Council on this 14th day of December, 2022, by the following vote, to wit:

AYES: **Ehlers, Kranz, Lyndes**
NOES: **None**
ABSENT: **Hinze**
ABSTAIN: **None**

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of the City of Encinitas, California, this 14th day of December, 2022.

DocuSigned by:

Kathy Hollywood

43EC63D341D2448C
Kathy Hollywood, City Clerk

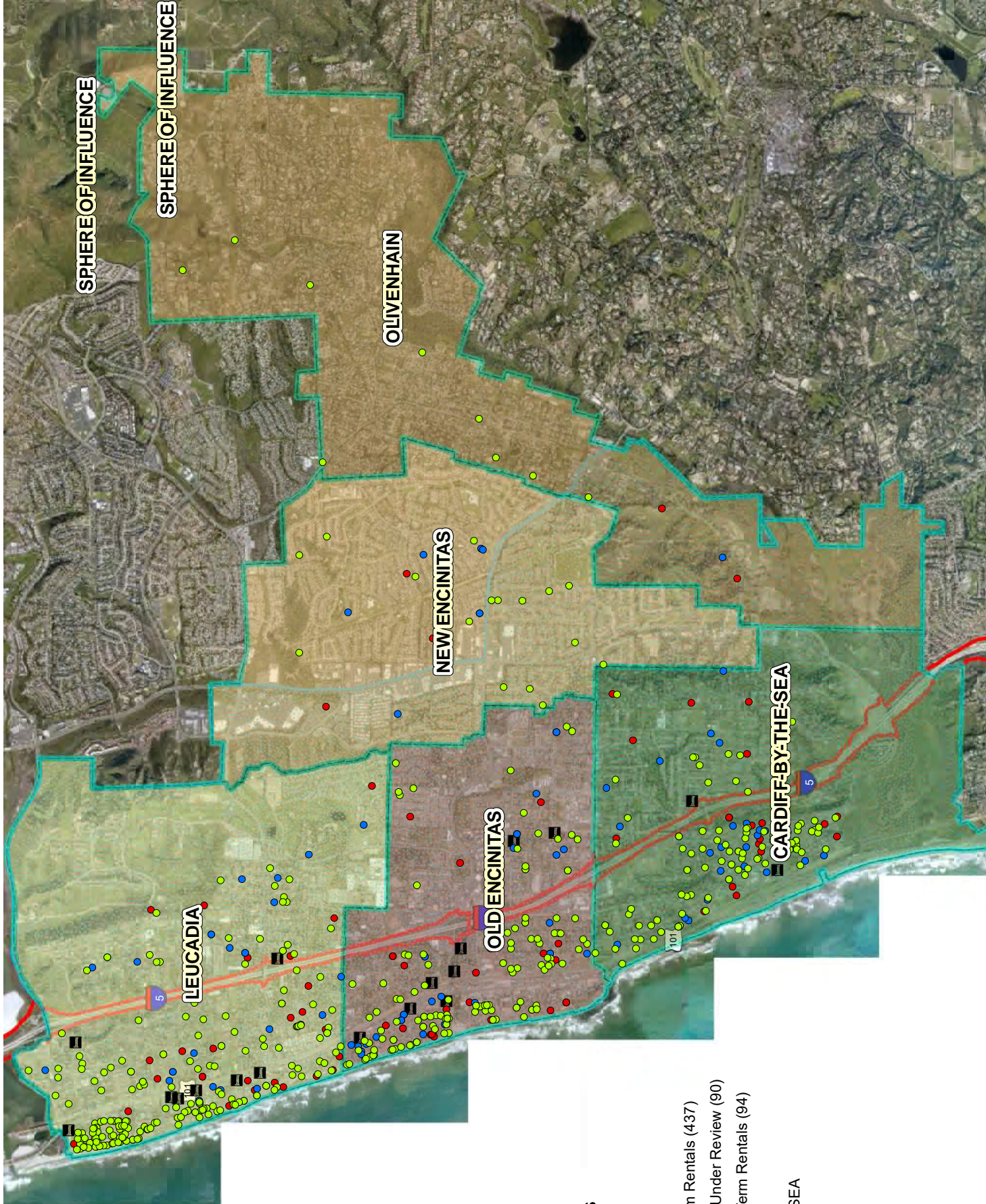


EXHIBIT NO. 2
City STR Maps (April 2022)
 Encinitas LCP-6-ENC-23-004 1-1
 California Coastal Commission

**Short-term Rentals
 Citywide**

Legend

- Permitted Short Term Rentals (437)
- Short Term Rentals Under Review (90)
- Unpermitted Short Term Rentals (94)
- Hotels (18)
- CARDIFF-BY-THE-SEA
- LEUCADIA
- NEW ENCINITAS
- OLD ENCINITAS
- OLIVENHAIN
- Coastal Zone
- CalTrans Boundary

DISCLAIMER:

This map should not be used for Engineering, Survey, or Site-Specific Analysis.

Every reasonable effort has been made to assure the accuracy of the data provided; nevertheless, some information may not be accurate. The City of Encinitas assumes no liability or responsibility arising from the use of or reliance upon this information.

- Map Coordinates: Stateplane NAD83 Feet, CA Zone 6
 - Parcels files are not always accurate, and some parcels can be positionally off up to +/- 40 feet.
 - Photo flight dates: July 2008. 4 inch pixel resolution. Digital true color.
 - This map is not a legal document. It is for informational purposes only. Accuracy meet the precision adequate to support National Map Accuracy Standards for 1" = 100' mapping.



Short-term Rentals Cardiff-by-the-Sea

Legend

- Permitted Short Term Rentals (99)
- Short Term Rentals Under Review (24)
- Unpermitted Short Term Rentals (23)
- Hotels (2)
- CalTrans Boundary

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positionally off up to +/- 40 feet

- Photo flight dates: July 2008, 4 inch pixel resolution. Digital true color
adequate to support National Map Accuracy Standards for 1" = 100' mapping.



Short-term Rentals West of I-5 Cardiff-by-the-Sea

Legend

- Permitted Short Term Rentals W of 5 (86)
- Short Term Rentals Under Review W of 5 (18)
- Unpermitted Short Term Rentals W of 5 (17)
- Hotels (2)
- CalTrans Boundary

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 - Parcel lines are not shown, accurate, and some parcels can be positioned off up to +/- 40 feet

- Photo flight dates: July 2008, 4 inch pixel resolution. Digital true color
 - Orthorectified and georeferenced to a precision adequate to support National Map Accuracy Standards for 1" = 100' mapping.



Short-term Rentals West of I-5 (200 Ft. Buffer) Cardiff-by-the-Sea

Legend

- Permitted Short Term Rentals W of 5 (86)
- Short Term Rentals Under Review W of 5 (18)
- Unpermitted Short Term Rentals W of 5 (17)
- Hotels (2)
- CalTrans Boundary

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Short-term Rentals Leucadia

Legend

- Permitted Short Term Rentals (191)
- Short Term Rentals Under Review (33)
- Unpermitted Short Term Rentals (32)
- Hotels (8)
- CalTrans Boundary



Short-term Rentals West of I-5 Leucadia

Legend

- Permitted Short Term Rentals W of 5 (170)
- Short Term Rentals Under Review W of 5 (22)
- Unpermitted Short Term Rentals W of 5 (24)
- Hotels (8)
- CalTrans Boundary

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- Photo flight dates: July 2008, 4 inch pixel resolution. Digital true color
 - Orthorectified and georeferenced to a precision adequate to support National Map Accuracy Standards for 1" = 100' mapping.



Short-term Rentals West of I-5 (200 Ft. Buffer) Leucadia

Legend

- Permitted Short Term Rentals W of 5 (170)
- Short Term Rentals Under Review W of 5 (22)
- Unpermitted Short Term Rentals W of 5 (24)
- Hotels (8)
- CalTrans Boundary

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- Parcel lines are not shown, accurate, and some parcels can be positioned off up to +/- 40 feet

- Photo flight dates: July 2008, 4 inch pixel resolution. Digital true color
- Orthorectified and georeferenced to a precision adequate to support National Map Accuracy Standards for 1" = 100' mapping.



Short-term Rentals Old Encinitas

Legend

- Permitted Short Term Rentals (120)
- Short Term Rentals Under Review (26)
- Unpermitted Short Term Rentals (32)
- Hotels (8)
- CalTrans Boundary

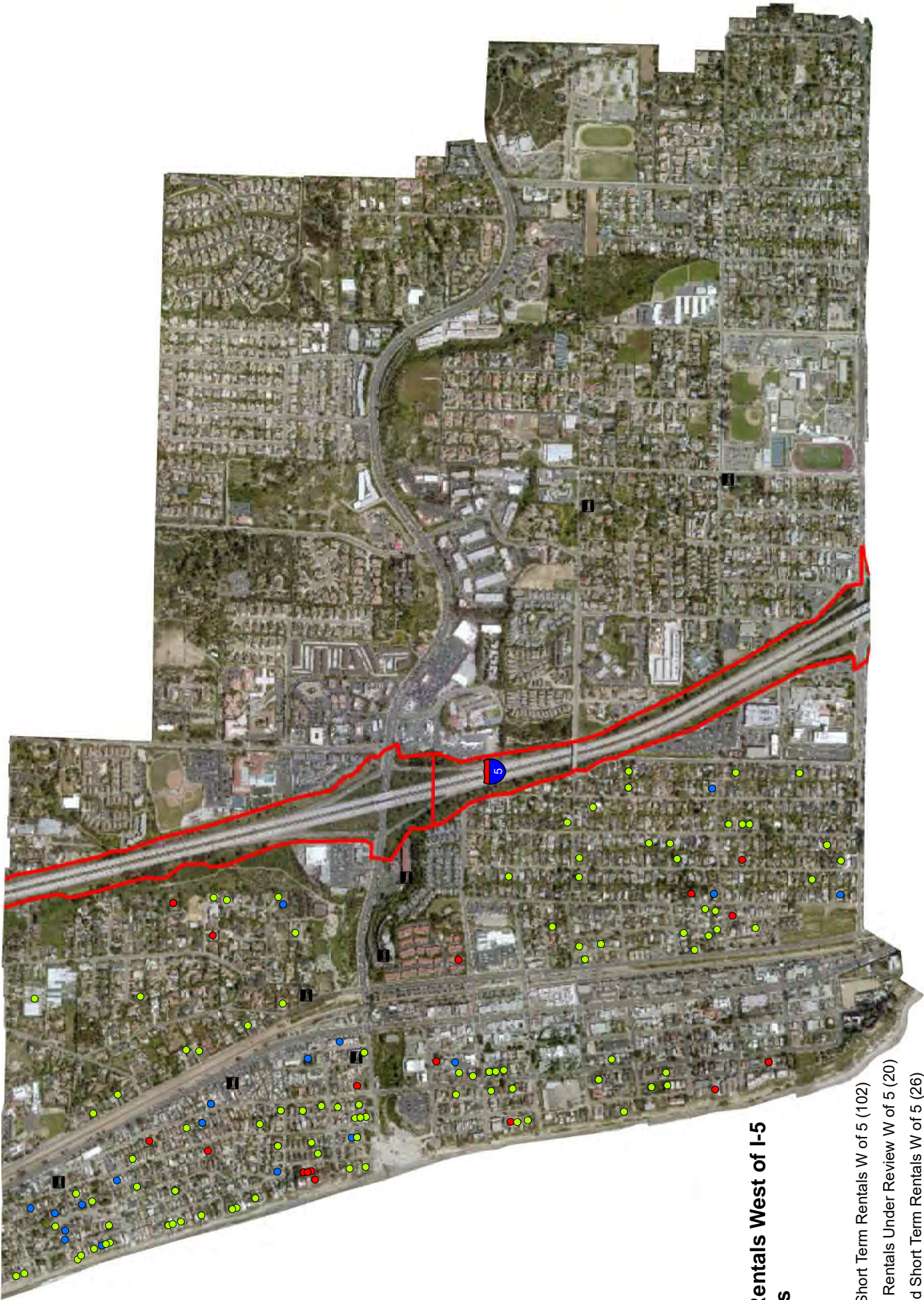
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- Photo flight dates: July 2008, 4 inch pixel resolution. Digital true color
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Short-term Rentals West of I-5 Old Encinitas

Legend

- Permitted Short Term Rentals W of 5 (102)
- Short Term Rentals Under Review W of 5 (20)
- Unpermitted Short Term Rentals W of 5 (26)
- Hotels (8)
- CalTrans Boundary

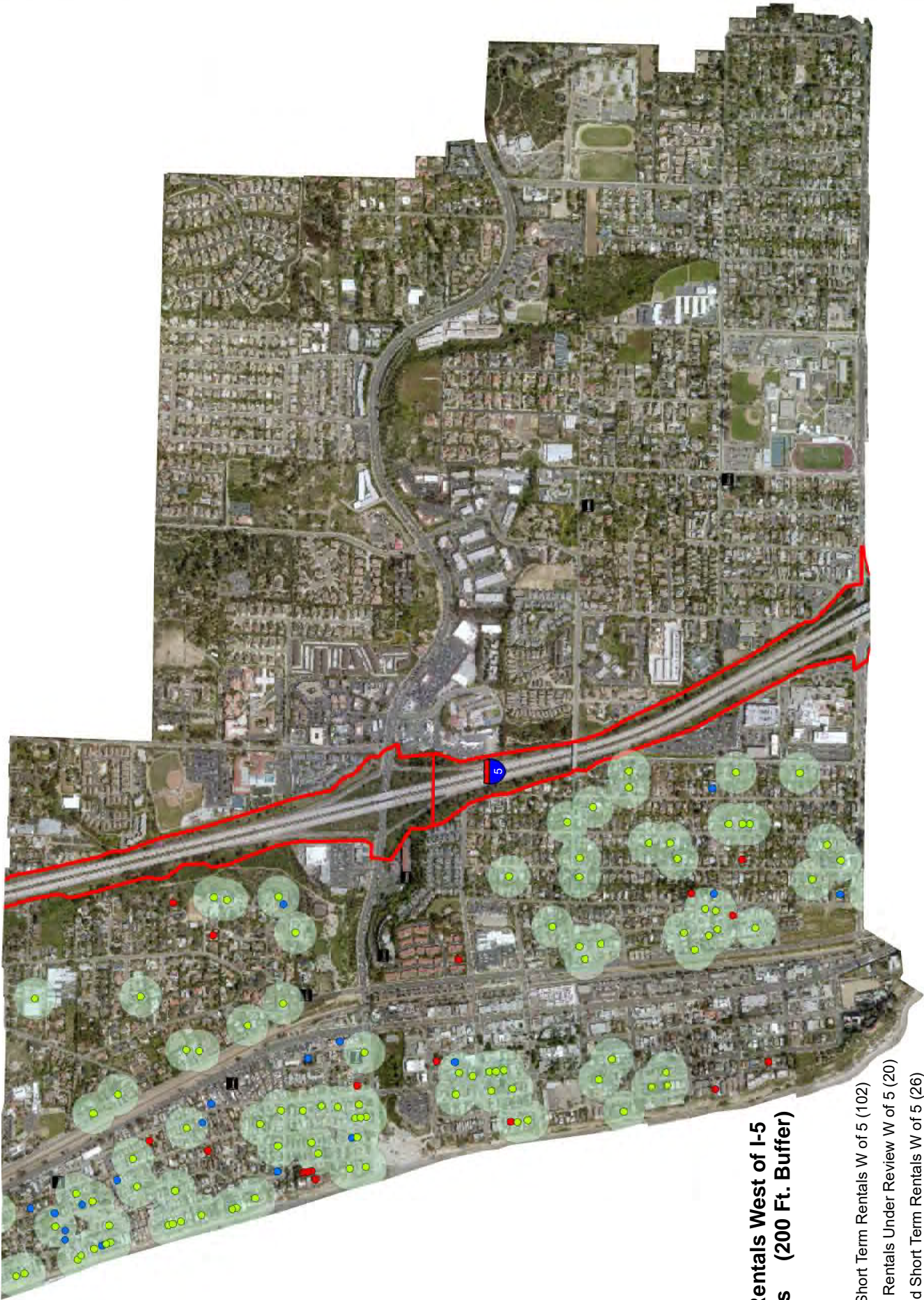
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- Map Coordinates: Stateplane NAD83 Feet, CA Zone 6
 - Parcel lines are not always accurate, and some parcels can be positioned off up to +/- 10 feet

- Photo flight dates: July 2022, 4 inch pixel resolution. Digital true color
 - Orthorectified and georeferenced to a precision adequate to support National Map Accuracy Standards for 1" = 100' mapping.



Short-term Rentals West of I-5 Old Encinitas (200 Ft. Buffer)

Legend

- Permitted Short Term Rentals W of 5 (102)
- Short Term Rentals Under Review W of 5 (20)
- Unpermitted Short Term Rentals W of 5 (26)
- Hotels (8)
- CalTrans Boundary

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- Map Coordinates: Stateplane NAD83 Feet, CA Zone 6
 - Parcel lines are not always accurate, and some parcels can be positionally off up to +/- 10 feet
 - Photo flight dates: July 2022, 4 inch pixel resolution. Digital true color
 - Orthorectified imagery with a positional accuracy that meets the precision standards to support National Map Accuracy Standards for 1" = 100' mapping.



Short-term Rentals New Encinitas

Legend

- Permitted Short Term Rentals (18)
- Short Term Rentals Under Review (6)
- Unpermitted Short Term Rentals (5)
- Hotels (0)
- CalTrans Boundary

DISCLAIMER:

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- Map Coordinates: Stateplane NAD83 Feet, CA Zone 6
 - Parcel lines are not always accurate, and some parcels can be positionally off up to +/- 40 feet
 - Photo flight dates: July 2008, 4 inch pixel resolution. Digital true color
 - Orthorectified and georeferenced to a precision adequate to support National Map Accuracy Standards for 1" = 100' mapping.



Short-term Rentals Olivenhain

Legend

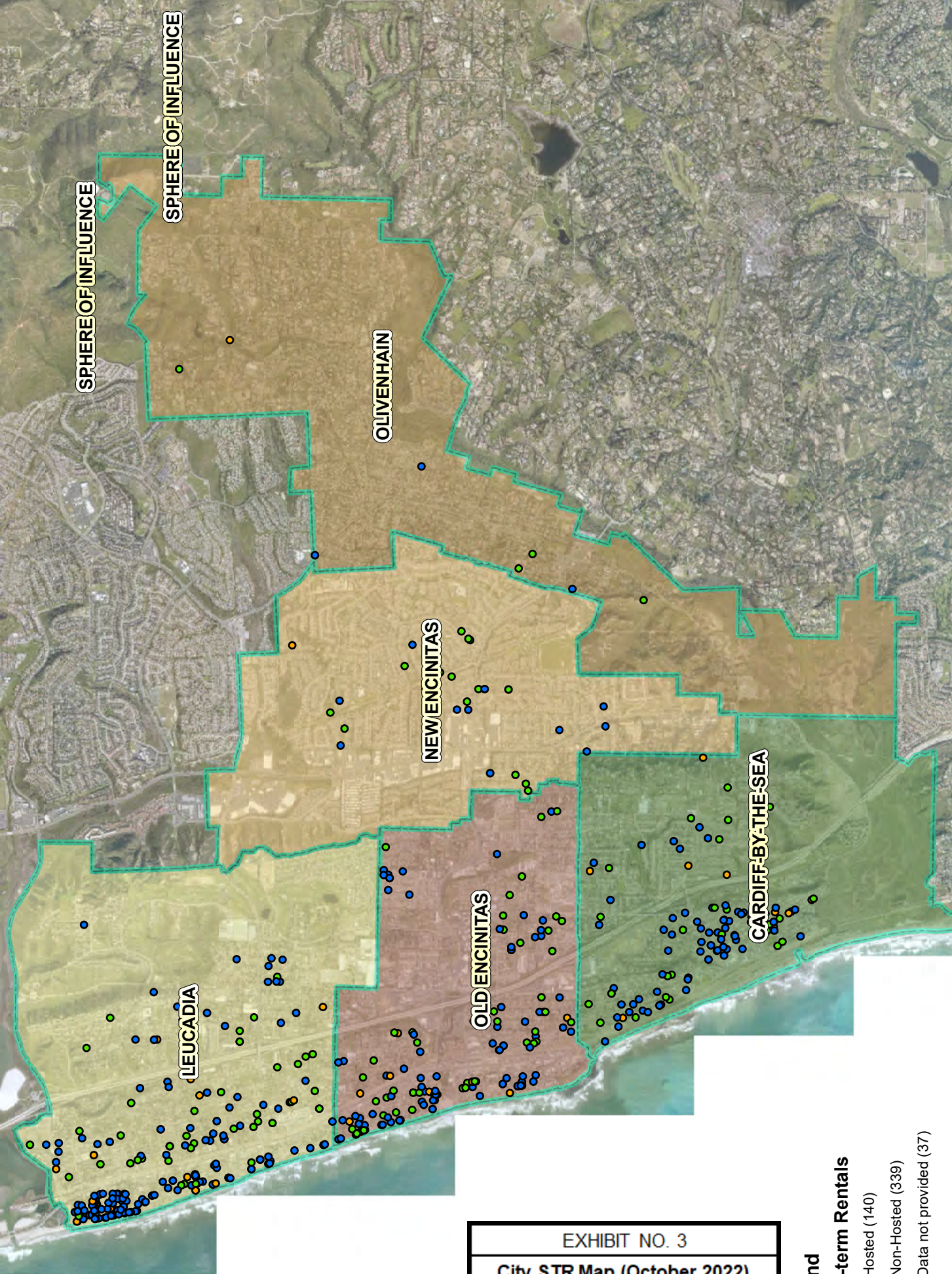
- Permitted Short Term Rentals (9)
- Short Term Rentals Under Review (1)
- Unpermitted Short Term Rentals (2)
- Hotels (0)
- CalTrans Boundary

DISCLAIMER:

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- Map Coordinates: Stateplane NAD83 Feet, CA Zone 6
 - Parcels lines are not survey accurate, and some parcels can be off by up to 4-10 feet
 - Orthophoto and 1600 resolution accuracy meet the precision
 - Photo flight dates: July 2007, 4 inch pixel resolution. Digital true color
 - adequate to support National Map Accuracy Standards
 for 1" = 100' mapping.



SPHERE OF INFLUENCE

SPHERE OF INFLUENCE

OLIVENHAIN

NEW ENCINITAS

OLD ENCINITAS

CARDIFF-BY-THE-SEA

LEUCADIA

EXHIBIT NO. 3
 City STR Map (October 2022)
 Encinitas LCP-6-ENC-23-004 1-1
 California Coastal Commission

- Legend**
- Short-term Rentals**
- Hosted (140)
 - Non-Hosted (339)
 - Data not provided (37)

DISCLAIMER:

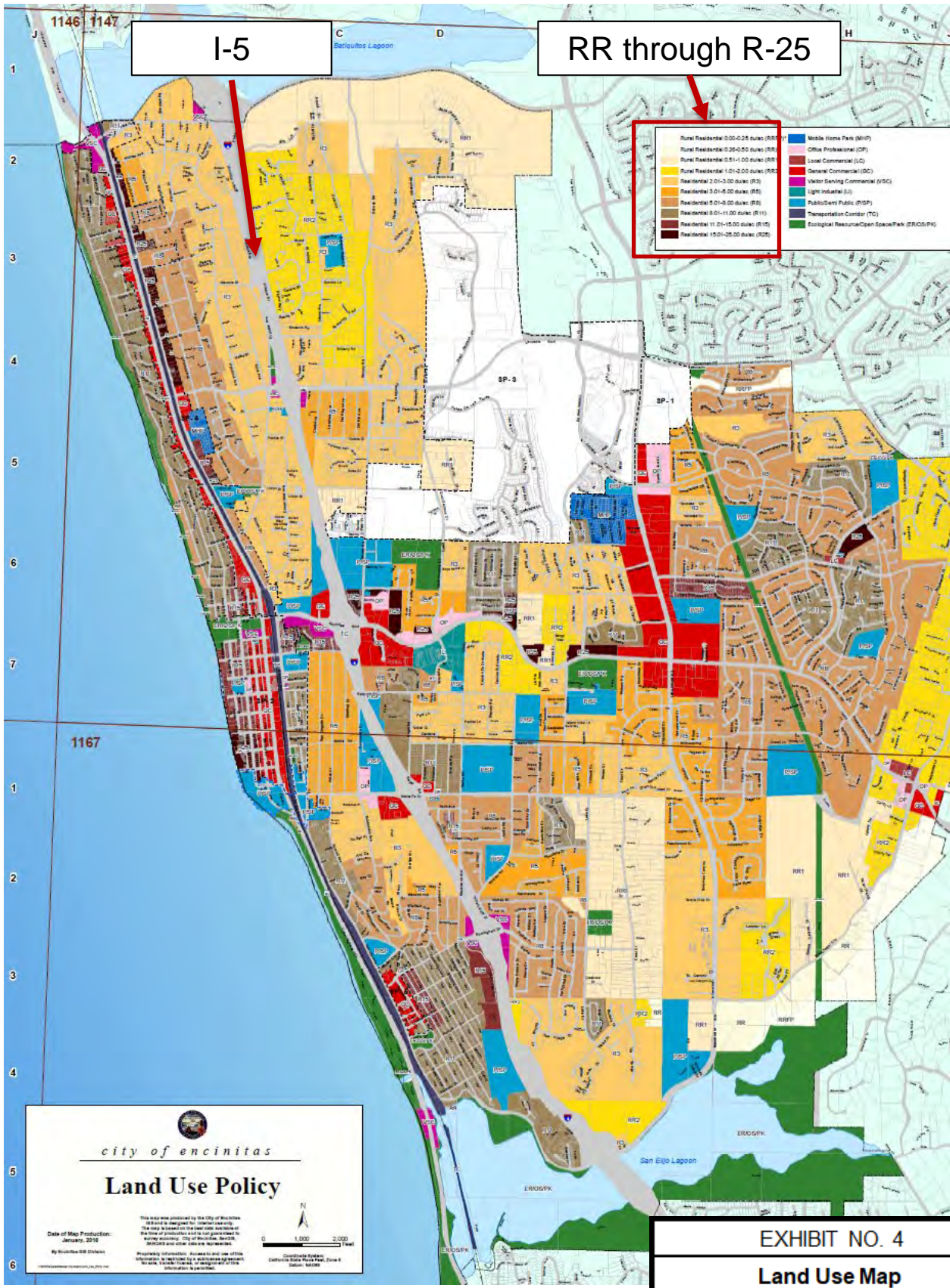
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ITEM 8B

Encinitas **OCTOBER 6, 2022** Map


- Map Coordinates: Stateplane NAD83 Feet, CA Zone 6
 - Parcel boundaries are shown in white, and some parcels can be pointed out with their parcel number
16 of 16
 - Photo flight dates: July 2019, 4 inch-pixel resolution. Digital true color.
 - Orthophoto and Topo positional accuracy meet the precision adequate to support National Map Accuracy Standards for 1" = 100' mapping.



I-5

RR through R-25

- Rural Residential 0.00-0.25 acres (RR1)
- Rural Residential 0.25-0.50 acres (RR2)
- Rural Residential 0.51-1.00 acres (RR3)
- Rural Residential 1.01-2.00 acres (RR4)
- Residential 2.01-3.00 acres (R3)
- Residential 3.01-4.00 acres (R4)
- Residential 4.01-5.00 acres (R5)
- Residential 5.01-11.00 acres (R11)
- Residential 11.01-15.00 acres (R15)
- Residential 15.01-25.00 acres (R25)
- Mobile Home Park (MHP)
- Office Professional (OP)
- Local Commercial (LC)
- General Commercial (GC)
- Visitor Serving Commercial (VSC)
- Light Industrial (LI)
- Public/semi Public (PSP)
- Transportation Corridor (TC)
- Ecological Resource/Open Space Park (EROSP/P)

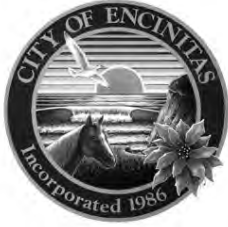

city of encinitas
Land Use Policy

This map was published by the City of Encinitas. It should be checked for current accuracy. The map is based on the best available information. The City of Encinitas, Encinitas, CA 92026 and other data are represented.

Date of Map Production: January, 2016
 By Encinitas GIS Division
 Property information, addresses and use of office buildings is provided by a public access geographic information system.

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 Encinitas, CA 92026

EXHIBIT NO. 4
Land Use Map
 Encinitas LCP-6-ENC-23-0041-1
 California Coastal Commission



AGENDA REPORT

City Council

MEETING DATE: April 20, 2022

PREPARED BY: Melinda Dacey
Planner IV

DEPT. DIRECTOR: Roy Sapa'u

DEPARTMENT: Development Services

CITY MANAGER: Pamela Antil

SUBJECT:

Follow-up City Council request for staff to provide a data driven analysis regarding short-term rentals.

RECOMMENDED ACTION:

1. Provide policy direction on staff recommendations; and
2. Adopt City Council Resolution No. 2022-38 titled "A Resolution of the City Council of the City of Encinitas, California, Initiating Amendments to the Municipal Code, Specific Plans and Local Coastal Program Pertaining to Short-term Rental Regulations." (Attachment 1)

STRATEGIC PLAN:

This item relates to the Community Planning Focus Area of the City's Strategic Plan to maintain safe and livable communities.

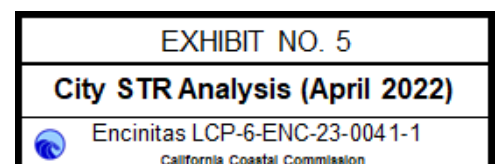
FISCAL CONSIDERATIONS:

There is no fiscal impact associated with the policy direction to staff regarding the data driven analysis or the adoption of Resolution No. 2022-38.

BACKGROUND:

On October 27, 2021, the City Council considered amendments to the short-term rental permit regulations, Ordinance No. 2021-22. City Council recommended modifications to the Ordinance that were re-introduced on November 17, 2021 and adopted on December 8, 2021. In addition, at the October City Council meeting staff was directed to return with a future data driven analysis and to identify a process for the City of Encinitas ("City") to establish a maximum number of short-term rental ("STR") permits. The means suggested to identify and establish a maximum number of STR permits included a percentage by population or location, or establish restrictions based upon the location of units such as an overconcentration within a particular location, zone, or neighborhood. The City Council also directed staff to further research whether an adjoining

2022-04-20



owner or tenant should provide consent to approve an STR permit request for properties that are a duplex or condominium type of a development when there is a shared common wall or space for the units.

ANALYSIS:

The City has an estimated 26,597 residential units, 18 hotels (two (2) hotels are not currently operating) for a total of 801 hotel rooms, which includes the 130-room Alila Marea Resort that opened in March of 2021, and 437 STRs with City issued permits, 90 STR requests under review for City permits, and approximately 94 unpermitted STRs that have been identified by Host Compliance as not having a City permit. Staff determined that the residential unit data is the best source for comparison purposes as STRs are only permitted in single-family and duplex structures that currently exist within the City. Moreover, the hotels are an additional resource within the City that provide overnight accommodations and a means for the general public to access the City and its coastline.

The 16 hotels currently operating in the City provide a combined median overnight rental rate of approximately \$143 with seasonal fluctuations ranging from \$82 to \$218. The California Coastal Commission has estimated that an affordable rate based upon the consumer price index is approximately \$130. At least half of the City’s median overnight hotel rental rates are at, or below this amount. Whereas the median STR rates being advertised for a whole-home rental (assumed non-hosted units) is approximately \$388.30 and the median rate for a portion of a home (assumed hosted units) is approximately \$100.00. Since the whole-home rentals are not being rented at an affordable rate, staff is recommending that the City Council establish a maximum number of STR permits for “Non-Hosted Units”¹ only, by the means described within this report. Additionally, the City Council previously found during the meetings for Ordinance No. 2021-22 that these types of STRs tend to impact residential neighborhoods the most.

According to the data, the greatest concentration of short-term rentals occurs within Cardiff-by-the-Sea, Leucadia and Old Encinitas communities West of Interstate 5 (“I-5”) (See Attachment 2). Table 1 below provides the number of short-term rentals that are permitted and under review with the City, the number of estimated residential units by Community, as well as the number of residential units within each community for comparison purposes. Whereas Table 2 shows the comparable data for the communities West of I-5.

Table 1 | Short-term Rentals (Permitted and Under Review) by Community

STR (Permitted & Under Review) by Community	% of STR by Community	Estimated Residential Units	% of STR by Residential Units	
Cardiff-by-the-Sea	123	23.3%	5,128	2.40%
Leucadia	224	42.5%	6,373	3.51%
New Encinitas	24	4.6%	7,244	0.33%
Old Encinitas	146	27.7%	5,930	2.46%
Olivenhain	10	1.9%	1,922	0.52%
Total	527		26,597	1.98%

¹ “Non-hosted unit” means a short-term rental whereby the property owner does not remain or reside on-site or on a property immediately adjacent to the short-term rental unit property during the short-term rental period [EMC 9.38.020].

Table 2 | Short-term Rentals (Permitted and Under Review) West of I-5 by Community

STR (Permitted & Under Review) by Community		STR West of 5	% of STR West of 5	Est. Res. Units West of 5	% of STR by Res. Units West of 5
Cardiff-by-the-Sea	123	104	84.6%	2,828	3.7%
Leucadia	224	192	85.7%	4,226	4.5%
New Encinitas	24				
Old Encinitas	146	122	83.6%	2,592	4.7%
Olivenhain	10				
Total	527	418	79.3%	9,646	4.3%

Staff Recommendations

Based on the data collected to date, staff is providing the following recommendations to regulate STR permits for “Non-Hosted Units” only.

Citywide Cap

The City Council directed staff to explore a Citywide cap for permitted short term rentals. Based upon the data presented in Table 1, staff recommends that the City Council place a Citywide cap of three percent (3%). This will allow for an additional 271 STRs citywide bringing the permit totals to 798 STRs. This cap is also proposed to coincide with the recommended Community Cap West of I-5 as described below.

Community Cap West of I-5

Based upon the concentration of STRs in the communities identified in Table 2, staff recommends that Cardiff-by-the-Sea, Leucadia, and Old Encinitas have a maximum cap of five percent (5%) be established within these communities. This cap limits the number of short-term rental permits to an additional 37 permits for Cardiff-by-the-Sea, 19 permits for Leucadia, and eight (8) permits for Old Encinitas (Table 3) for an additional 64 units West of I-5.

Table 3 | Short-term Rentals West of I-5 Community Cap

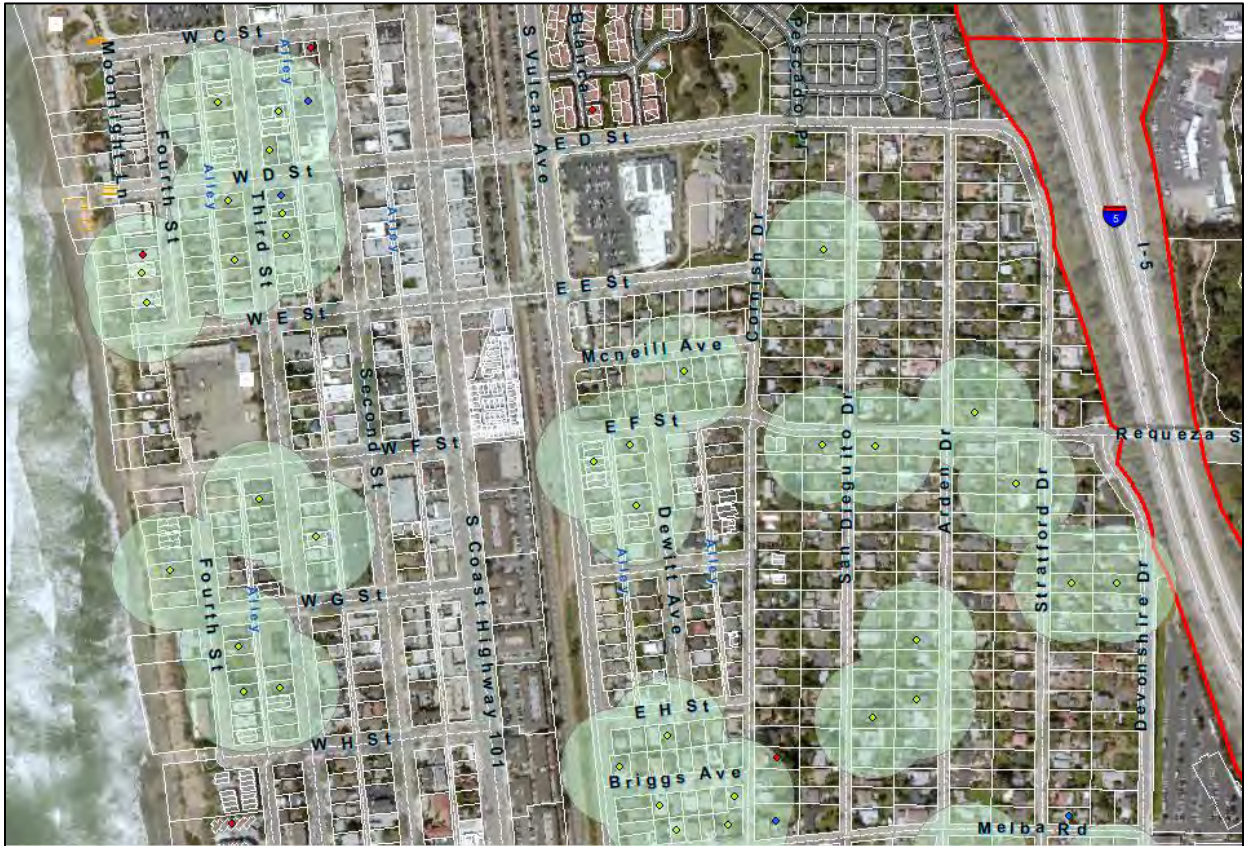
STR (Permitted & Under Review) by Community		STR West of 5	% of STR West of 5	Est. Res. Units West of 5	% of STR by Res. Units West of 5	5% Cap Total Permits West of 5	Change (+/-)
Cardiff-by-the-Sea	123	104	84.6%	2,828	3.7%	141	37
Leucadia	224	192	85.7%	4,226	4.5%	211	19
New Encinitas	24						
Old Encinitas	146	122	83.6%	2,592	4.7%	130	8
Olivenhain	10						
Total	527	418	79.3%	9,646	4.3%	482	64

Distance Between STR West of I-5

Additionally, for short-term rentals West of I-5, staff is recommending that new permit requests have a minimum distance of a 200-foot radius between short-term rentals. The 200-foot radius will assist in limiting an over-concentration of STRs within the residential neighborhoods and essentially places a minimum three parcel distance in all directions between units (See Graphic

A for visual representation). Other Coastal Communities have incorporated similar requirements to limit the concentration of STRs (Avila Beach, Cambria, Cayucos, and Oxnard).

Graphic A | Short-term Rental 200-foot Radius West of I-5



Adjoining Duplex Condominium Property Owner Approval

Concerns have been raised from some members of the public regarding STRs located on properties with condominium duplexes where there are common amenity areas, including owner liability and requiring both property owner approvals for the issuance of a STR permit. City Council directed staff to look into this matter further. After conducting additional research into other Coastal communities throughout the state, staff found that Santa Cruz County is the only jurisdiction that requires an adjacent owner approval to apply for a short-term rental. Per City Attorney direction, staff is not recommending that the City require an adjacent owner's consent or approval as a condition of issuance of a STR permit. Issues or concerns by adjacent property owners regarding an application for use of property that is subject to private CC&Rs are civil matters that do not involve the City.

Additional Staff Recommended Municipal Code Amendments

Staff recommends changing the one-year permit expiration and renewal period to three years. This will allow more time between applications for staff review. Additionally, staff proposes to include that a permit may be revoked for inactivity for 12 months. This will be monitored and enforced through a permit holders required quarterly Transient Occupancy Tax (TOT) payments.

Next Steps

City staff will continue to collect information on the number of hosted and non-hosted units and location of all short-term rental units, to update the numbers provided in this report. The updated information will be provided with the draft Municipal Code and Specific Plan Amendments that will be provided to the Planning Commission for their recommendation and then City Council for review and approval.

ENVIRONMENTAL CONSIDERATIONS:

This action is exempt from the environmental review pursuant to CEQA Guidelines Section 15378(b)(5), which exempts organizational or administrative activities of governments that will not result in direct or indirect physical changes in the environment. The action before the City Council is to provide input of further direction, as appropriate, which may inform how future work will be conducted, and initiate the process to prepare and consider potential amendments. Environmental review will be considered for any resulting future projects.

This item does not relate to the Climate Action Plan.

ATTACHMENTS:

1. Resolution No. 2022-38 "A Resolution of the City Council of the City of Encinitas, California, Initiating Amendments to the Municipal Code and Local Coastal Program Pertaining to Short-term Rental Regulations."
2. Short-term Rental Maps

RESOLUTION NO. 2022-38

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ENCINITAS, CALIFORNIA, INITIATING AMENDMENTS TO THE MUNICIPAL CODE, SPECIFIC PLANS AND LOCAL COASTAL PROGRAM PERTAINING TO SHORT-TERM RENTAL REGULATIONS

WHEREAS, the City of Encinitas (“City”) desires to adopt an ordinance to regulate short term rentals in the City; and

WHEREAS, pursuant to Section 30.72.020(B) of the Encinitas Municipal Code (“EMC”), City Council authorization by resolution is required to initiate the Municipal Code, Specific Plans and Local Coastal Program amendments necessary to amend Title 30 of the Municipal Code and applicable Specific Plans.

NOW, THEREFORE, the City Council of the City of Encinitas resolves as follows:

SECTION 1. That the above recitations are true and correct.

SECTION 2. This action is exempt from the environmental review pursuant to CEQA Guidelines Section 15378(b)(5), which exempts organizational or administrative activities of governments that will not result in direct or indirect physical changes in the environment. The action before the City Council is to provide input of further direction, as appropriate, which may inform how future work will be conducted, and initiate the process to prepare and consider potential amendments. Environmental review will be considered for any resulting future projects.

SECTION 3. That this Resolution initiates the required Municipal Code, Specific Plans and Local Coastal Program Amendments, pursuant to EMC Section 30.72.020(B).

SECTION 4: That this Resolution shall take effect immediately upon its adoption.

PASSED, APPROVED AND ADOPTED at a regular meeting of the City Council of the City of Encinitas, California, held on the 20th day of April 2022, by the following roll call vote:

**AYES:
NOES:
ABSENT:
ABSTAIN:**

APPROVED:

Catherine S. Blakespear, Mayor

ATTEST:

Kathy Hollywood, City Clerk

APPROVED AS TO FORM:

Tarquin Preziosi, City Attorney

CERTIFICATION

I, Kathy Hollywood, City Clerk of the City of Encinitas, California, do hereby certify under penalty of perjury that the foregoing Resolution was duly adopted at a regular meeting of the City Council on this ____ day of _____, 2022 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Kathy Hollywood, City Clerk