

**CITY OF DANA POINT  
PLANNING COMMISSION  
WORKSHOP REPORT**

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**DATE:** SEPTEMBER 28, 2020

**TO:** DANA POINT PLANNING COMMISSION

**FROM:** COMMUNITY DEVELOPMENT DEPARTMENT  
BRENDA WISNESKI, COMMUNITY DEVELOPMENT DIRECTOR  
JOHN CIAMPA, SENIOR PLANNER  
JEFF ROSALER, COMMUNITY DEVELOPMENT MANAGER

**SUBJECT:** PLANNING COMMISSION WORKSHOP ON THE DEVELOPMENT OF A  
SHORT-TERM RENTAL PILOT PROGRAM & ENHANCED  
REGULATIONS

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**RECOMMENDATION:** That the Planning Commission:

- 1) conduct the initial workshop to discuss: the existing Short Term Rental program, additional best management practices and enhanced regulations for the development of a Short-Term Rental Pilot Program, and
- 2) consider establishing a Planning Commission Subcommittee to assist in development of the Pilot Program and obtaining stakeholder input.

**APPLICANT:** City of Dana Point

**BACKGROUND:**

Short-Term Rentals (STR) have historically been part of Dana Point and many other coastal communities. The increased popularity of STRs due to the growth of online platforms resulted in the need to establish regulations to ensure they are compatible in residential neighborhoods. After a decade long effort to establish an STR ordinance that both complies with California Coastal Commission (CCC) requirements and establishes STR standards to address community concerns, Dana Point approved a STR ordinance in 2016. Subsequent to the ordinance approval, a referendum petition was filed, and, as a result, the City Council rescinded the ordinance and decided to allow permitted STRs to continue operating until an alternative ordinance is adopted.

**Existing Short-Term Rental Permits**

Short Term Rental permits were issued starting in 2016, prior to the City Council rescinding the ordinance. Existing permits have been allowed to renew annually since that time. As

of September 2020, there are 147 active STR permits. In 2019, 142 permits generated \$757,000 of Transient Occupancy Tax (TOT) (five permit holders did not collect TOT in 2019).

#### Primary Residency of Existing STR Permit Holders

- 30% of these STR permits have a primary residence in Dana Point
- 27% live permanently in Orange County
- 28% live in California outside of Orange County
- 15% are owners from outside of California
- 5% are considered homestays where they reside in the unit full-time.

#### Distribution of Existing STR Permits

Table 1 lists the percentage of STRs by voting district. Twenty-eight percent of STR permits are located on Beach Road, therefore there is a high concentration in District 5. Other common areas for STRs are in the Monarch Hills HOA (Corniche Drive in District 1) and Lantern Village (District 4).

**Table 1**  
**Percentage of current STR's by voting District**

| <b>District</b>             | <b>Percentage of Permits</b> |
|-----------------------------|------------------------------|
| 1 – West; Corniche          | 20%                          |
| 2 – North                   | 3%                           |
| 3 – Northeast               | 4%                           |
| 4 – Lantern Village         | 31%                          |
| 5 – Capo Beach & Beach Road | 42%                          |

#### **Existing STR Regulations**

The STR Business Regulations of the Municipal Code (Section 5.38) are utilized for the oversight and enforcement of the existing permitted STRs (Supporting Document 2). The Code requires that a permit be approved per the Community Development Director, and renewed annually. Key conditions of permit issuance include:

1. Proof of HOA compliance
2. Inspection by the City
3. Twenty-four hour emergency contact located within a 25 mile radius of the STR to respond to issues
4. Must have a minimum of two off-street parking spaces
5. may not be used for weddings, parties, bachelor/bachelorette parties, conferences or similar events
6. Advertising shall include STR permit number
7. Minimum two night stay
8. Maximum occupancy of two person per bedroom plus two additional persons

9. Maximum of one vehicle per one bedroom unit or two vehicles maximum with two or more bedrooms
10. No exterior signs advertising STR
11. The owner, upon notification that the tenants have generated unreasonable noise or disturbance or conducted violations of the Municipal Code, shall take action to prevent recurrence of such conduct within 24 hours

Penalties for repeat violations include fines up to \$1,000 and potential permit revocation.

### **Existing STR Enforcement Efforts**

STR permitting and operations are monitored and regulated by the City's Code Enforcement Division. Code Enforcement staff oversees the permitting, inspections, collection of TOT and annual renewal of permits. They also oversee complaints of both unpermitted STR's and nuisances at permitted STR's. The Code Enforcement Operations and Strategic Plan directs the Code Enforcement staff to address STR violations in the following manner:

*"If the property does not have an STR permit, the property will be issued an NOV for advertising without a permit. If not abated, the property owner will receive an administrative citation. Host Compliance will also issue first NOV for properties they identify to be advertising without proper permits. Advertising can be verified through this website for any issues regarding STRs. A complaint line for STRs is also maintained by the third party vender and the Code Enforcement Officer in charge of STRs should check the complaint log at least once per day.*

*If complaints are received concerning STRs and it is determined the property has a valid City STR permit, the Code Officer will contact the owner to immediately to abate the violation. If the officer finds evidence of a violation of Section 5.38 the Code Enforcement Officer will issue an NOV or Citation, dependent on the severity and history of offenses at the property."*

Additionally, Code Officers conduct weekly windshield inspections and after hour roving patrols occur during the peak summer season. Code Officers also coordinate with Police Services to share information and provide support in the field. After hour enforcement has improved communications with homeowner association security, such as specifically along Beach Road and in the Monarch Hills HOA on Corniche Drive.

In 2017, the City of Dana Point retained Host Compliance to monitor advertising platforms, such as AirBnB and VRBO, to identify unpermitted short term rentals and assist in enforcement. Host Compliance also sends automated Notice of Violation (NOV) letters on the City's behalf, once the properties have been identified and cleared with City staff.

Since the program inception in mid-2016:

- 761 code cases have been initiated for violations of the Short Term Rental business regulations, 722 of those were for unpermitted STR. Most owners ceased operation after receiving a Notice of Violation. However, citations/fines were issued to 141 owners who continued to operate after receiving a NOV.
- Since 2016, 39 code cases have been opened for potential nuisance violations at permitted STRs. Nine citations have been issued for nuisance violations at a permitted STR.
- 900 windshield inspection reports have been conducted to determine if additional code issues are occurring at the permitted STR properties
- Over 300 inspection reports have been filed on weekday and weekend nights
- Since 2017, 176 calls were made to the 24 hour Hotline Call Service operated by Host Compliance
  - 29% of calls into the hotline are for unpermitted STR
  - 34% of calls are for potential nuisances at licensed STRs
  - 26% are for inquiries concerning STR permitting
  - 11% are general questions

### **Re-Evaluation of STR Ordinance**

In 2018, the City Council formed a Subcommittee to re-evaluate STRs and guide the development of a new ordinance that addresses community concerns. The Subcommittee was comprised of Council Member Wyatt and previous Council Members Tomlinson (1<sup>st</sup> appointment), and the later Council Member Lewis (replacement). The Subcommittee researched STR ordinances for other coastal cities to consider appropriate regulations and best management practices for Dana Point. The Subcommittee also met with the CCC staff on several occasions to obtain feedback on STR regulations.

Two surveys were initiated to better understand the community's perspective on STRs. The first survey was conducted in June 2018 and received 658 responses from the public. The second survey was conducted in March 2020 by FM3 Research that interviewed 500 demographically diverse Dana Point registered voters.

The CCC staff is aware of the community's sensitivity to STRs and recommended the City develop a STR Pilot Program to address the coastal access requirements of the Coastal Act and allow the creation of regulations that balance STRs compatibility with the community. This Pilot Program would provide the City with the flexibility to establish and modify regulations outside of the City's Zoning Ordinance and tailor the requirements to be compatible with the community. CCCstaff encouraged the City to approve a a Coastal Development Permit (CDP) to operate the Pilot Program on a temporary basis.

On July 21, 2020, the City Council was presented with the results of the March 2020 survey and the CCCs recommendation to consider developing the STR Pilot Program. The City



Council directed staff to move forward with public outreach and the development of a STR Pilot Program with input from the Planning Commission.

As described above, there have been multiple efforts over the years to formulate a STR program that meets the needs of the community. To assist in understanding the history of these efforts the following documents are attached:

- *Municipal Code Section 5.38 Short Term Rental Business Regulations* – the current regulations affecting STRs. The intent is to expand upon these regulations to include best management practices.
- *City Council Meeting Minutes, October 1, 2019* – Report submitted by Councilmember Jamey Federico. The City Council adopted the following policy objectives to be used in drafting any proposed STR ordinance:
  1. Maintain the character of our neighborhoods by not encouraging absentee corporate investment.
  2. Firmly protect against nuisances.
  3. Balance the rights and responsibilities of all residents and homeowners and honor HOA regulations.

In addition Council directed the Subcommittee to conduct public outreach and authorized the City Manager to conduct a statistically valid resident STR survey.

- *City Council Staff Report and Minutes November 19, 2019* – Report submitted by Mayor Pro Tem Wyatt requesting action to develop an ordinance, as recommended by the City Council Subcommittee. The staff report provides background, but no action was taken by the City Council.
- *City Council Staff Report and Minutes, July 21, 2020* – City Council review of STR survey results and consideration to direct staff to develop a Home Stay STR Program. The City Council ultimately directed staff to develop a Pilot Program to include all STR types.
- *March 2020 STR Survey Results* - A statistically valid survey (conducted by FM3 Research) reflecting the community's feedback on the different types of STRs, as well as their opinion on the currently operating STRs. The three types of STRs evaluated in the survey included home stay, primary residence, and non-primary residence.
- *June 2018 STR Survey Results* – The survey was developed by the Subcommittee to obtain input from Dana Point Community residents on key issues associated with STRs.
- *CCC Letter to City on STRs, dated December 6, 2016* – This letter details the Coastal Commission's perspective related to STR in 2016.

## **DISCUSSION:**

Per City Council direction, the STR Pilot Program will be developed to include each STR type, including home stay, primary residence, and non-primary residence. Council also

indicated a robust enforcement program shall be considered to address potential impacts to the community. The following outlines the tentative schedule for development of the Pilot Program and opportunities for public participation.

1. September 28, 2020 – 1<sup>st</sup> Planning Commission Workshop – Introduce STR Pilot Program options and explore regulation and enforcement concepts.
2. Fall 2020 – 2<sup>nd</sup> Planning Commission Workshop – Introduce draft STR Pilot Program, business regulations and enforcement program.
3. Winter 2020 – Planning Commission Public Hearing to consider the Coastal Development Permit (CDP) for the Pilot Program.

### **Pilot Program**

Supporting Document 1 provides the framework for the Pilot Program and will be utilized as the basis for the Planning Commission's discussion. Components include: zoning, application submittal items, noticing, operational and management requirements, parking standards, occupancy, among other elements. Supporting Document 1 provides three distinct categories of recommendations:

1. "Pilot Program Recommendations" – The recommendations provide the basis for the STR Pilot Program and generally reflect comments from the City Council Subcommittee and city staff.
2. "For Consideration" – Following the Subcommittee's review, city staff conducted a review of other ordinances and identified additional provisions that may be considered for the Pilot Program.
3. "Other" – A list of other regulations implemented by other jurisdictions is also provided for discussion.

Staff is requesting feedback from the Planning Commission and the public. The comments received on the regulations and best management practices will be utilized to develop a draft Pilot Program, update the City's Municipal Code STR Business Regulations (Section 5.38), and evaluate the long term status of the existing STRs. The update to the Municipal Code would ensure consistency with the regulations of the active STRs and the Pilot Program.

### **NOTIFICATION/FOLLOW-UP:**

Stakeholders requesting to be notified were provided advanced notice of the Planning Commission's Public Workshop. Notification of the meeting was also posted on the City's social media outlets.

**SUPPORTING DOCUMENTS:**

1. STR Regulations and Best Management Practices Table
2. Municipal Code Section 5.38 Short Term Rental Business Regulations
3. City Council Meeting Report and Minutes, July 21, 2020
4. City Council Meeting Report and Minutes, November 19, 2019
5. City Council Meeting Report and Minutes, October 1, 2019
6. March 2020 STR Survey Results
7. 2018 STR Survey Results
8. CCC Letter to City on STRs, December 6, 2016

## SUPPORTING DOCUMENT 1: STR Regulations and Best Management Practices Table

Page 1 of 6



### SHORT TERM RENTAL PLANNING COMMISSION WORKSHOP

Meeting date: September 28, 2020

Time: 6:00 p.m.

Location: City Council Chambers

#### Types of Short Term Rentals (STR):

**Homestay STR** – a residential unit where bedrooms are rented and the owner resides in the unit when rented.

**Primary Resident STR** – a residential unit owned and occupied as the owner's principal place of residence, where the owner lives more than fifty percent of the year, defined as one hundred eighty-three days or more per year; OR a residential unit where the owner's primary residence is located in the City.

**Non-Primary STR** – a residential unit where the owner does not live in the residential unit.

#### Short Term Rental (STR) Regulations:

This table lists proposed regulation for the STR Pilot Program. It includes recommendations for the Pilot Program, regulations for consideration, and a list of other regulations implemented by other jurisdictions, cited in parentheses, is also provided for discussion.

| Regulation Type | Pilot Program Recommendations | For Consideration           | Other   |
|-----------------|-------------------------------|-----------------------------|---|
| Permitted Zones | 1. All residential zones      | 1. Allow in Mixed-use zones | 1. Only Primary Resident STRs permitted in single-family or multi-family zones (Pismo Beach)<br><br>2. All Homestay STRs located at least 300 ft. from another Homestay or Non-Primary Resident STR (San Clemente)<br><br>3. Maximum number of STRs, excluding Homestays, is 20 percent of the total housing units within a predefined designated area (San Clemente) |

**PLANNING COMMISSION AGENDA REPORT  
WORKSHOP REPORT  
SEPTEMBER 28, 2020  
PAGE 9**

---

Page 2 of 6

| Regulation Type                 | Pilot Program Recommendations   | For Consideration  | Other   |
|---------------------------------|---|--|---|
| <b>STR Type</b>                 | All STR Types permitted in all residential zones  | Allow certain STR types in specific areas in the City  |   |
| <b>Application Requirements</b> | <ol style="list-style-type: none"> <li>1. Owner/Manager contact information</li> <li>2. Transient Occupancy Tax (TOT) Registration</li> <li>3. Acknowledgment of program regulations</li> <li>4. Available parking spaces</li> <li>5. Maximum occupancy</li> <li>6. HOA compliance</li> </ol>   | <ol style="list-style-type: none"> <li>1. Site and floor plan identifying trash bin storage and parking (Laguna and San Clemente)</li> <li>2. Nuisance response plan for disruptive guests (Newport Beach)</li> <li>3. Copy of STR standard rental agreement (San Clemente)</li> </ol> | <ol style="list-style-type: none"> <li>1. Owner must identify in the application specific dates when property will be rented (Laguna Beach)</li> <li>2. STR unit square footage (Newport Beach)</li> <li>3. Proof of Fire Department inspection (Laguna Beach)</li> <li>4. Compliance with STR Good Neighbor Policy requirements (Oceanside)</li> </ol> |
| <b>Notice Requirements</b>      | <ol style="list-style-type: none"> <li>1. Notification to all property owners within 300 ft. of STR</li> <li>2. Identify address, type of STR, City's STR hotline, owner contact information, maximum occupancy, and number of vehicles permitted</li> </ol>  |  |   |
| <b>City Oversight</b>           | <ol style="list-style-type: none"> <li>1. Permits valid for one (1) year</li> <li>2. Change of STR ownership requires new permit</li> <li>3. Primary and Non-Primary STRs have a designated emergency contact available 24/7 to respond to issues in one (1) hour</li> <li>4. City must be notified prior to any change in manager contact information</li> <li>5. All STRs shall comply with Building, Safety, Fire Codes, and relevant laws/ordinances</li> </ol> | <ol style="list-style-type: none"> <li>1. Permit does not run with the land (Laguna Beach)</li> <li>2. Community Development Director may access records or physical property to ensure compliance (San Clemente)</li> </ol>   | <ol style="list-style-type: none"> <li>1. Permit valid for two (2) years and renewed within three to six months prior to expiration (Laguna Beach)</li> </ol>   |

**PLANNING COMMISSION AGENDA REPORT  
WORKSHOP REPORT  
SEPTEMBER 28, 2020  
PAGE 10**

---

Page 3 of 6

| Regulation Type      | Pilot Program Recommendations   | For Consideration   | Other  |
|----------------------|---|---|--|
|                      | <p>6. Initial and annual inspections</p> <p>7. Visible address from street</p> <p>8. STR shall be maintained in good condition</p> <p>9. STR is only used for lodging. No weddings, parties, conferences, or similar events.</p> <p>10. Community Development Director may impose additional standards to STR permit holders as necessary to achieve objectives of the Pilot Program</p>  |   |  |
| <b>STR Operation</b> | <p>1. Homestay STRs must have the property owner reside in the unit when rented</p> <p>2. Obtain guest contact information from primary adult/guest</p> <p>3. Guest signs acknowledgement of STR regulations and fines</p> <p>4. Guest acknowledgment of STR Good Neighbor Policy</p> <p>5. Lease agreements shall identify maximum occupancy, number and location of parking, trash days and regulation, fines, manager and emergency contact information, and summary of HOA/CC&amp;R regulations</p> <p>6. A good neighbor brochure, summarizing the good neighbor policy and regulations shall be placed or</p> | <p>1. Owner/manager shall keep and provide STR records to the Director of Finance at the time of the quarterly Transient Occupancy Tax payments (Laguna Beach)</p> <p>2. Minimum age of primary guest is 21 years old (Newport Beach)</p> <p>3. Owner must comply with nuisance response plan approved with the permit (Newport Beach)</p> <p>4. Owner/manager must respond to issues within 30 minutes (Newport Beach)</p> | <p>1. The owner shall provide the City with a copy of any written agreement(s) within seven (7) calendar days after the City serves the owner with a notice of request for agreements (Newport)</p> <p>2. Emergency contact to address issues 24/7 and must live within 25 miles (Newport Beach)</p> |

**PLANNING COMMISSION AGENDA REPORT  
WORKSHOP REPORT  
SEPTEMBER 28, 2020  
PAGE 11**

---

Page 4 of 6

| Regulation Type       | Pilot Program Recommendations  | For Consideration   | Other  |
|-----------------------|--|---|--|
|                       | <p>posted in a visible location within the short-term rental</p> <p>7. Owner/Manager must abate disturbances, direct guests, call for law enforcement services/Code Enforcement, evict guests, or other necessary actions to abate disturbances</p> <p>8. Owner/Manager shall address issues within one (1) hour of received complaint</p> |   |  |
| <b>Frequency</b>      | 1. Homestay STR shall provide a minimum of one (1) night stay and Primary Resident and Non-Primary Resident STRs shall provide a minimum of two (2) night stay   |   | 1. Homestay STRs no limit for the number of days rented in a year. Primary Residence STRs are limited to 180 rental days a year. (Pismo) |
| <b>Occupancy</b>      | <p>1. Maximum occupancy based on two (2) persons per bedroom. Children under two (2) not counted Maximum of eight (8) persons, not counting owners for a Homestay STR.</p> <p>2. Maximum number of visitors shall not exceed the maximum occupancy permitted for guests</p>  | <p>1. Two (2) persons per bedroom plus two (2). Ten (10) maximum but could be modified by the Community Development Director (San Clemente)(Oceanside)</p> <p>2. Daytime visitors allowed between 7 AM and 10 PM (Laguna Beach)</p> | 1. Overnight occupancy limited by Building Code and Fire Code (Newport Beach)  |
| <b>Noise/Nuisance</b> | 1. Guests shall not create unreasonable noise or disturbances or engage in disorderly conduct  | 1. No amplified sound, outside or audible from the property line between 10:00 p.m. and 10:00 a.m. (Newport Beach)(Oceanside)   |  |
| <b>Parking</b>        | 1. STR units shall provide two (2) parking spaces, not including homestay owners' vehicles   | 1. All available parking spaces onsite (garage, carport, and driveway spaces) shall be accessible to guest (Newport Beach)  | 1. Maximum parking spaces is based on requirements for the residential unit (Laguna Beach)   |

**PLANNING COMMISSION AGENDA REPORT  
WORKSHOP REPORT  
SEPTEMBER 28, 2020  
PAGE 12**

---

Page 5 of 6

| Regulation Type               | Pilot Program Recommendations  | For Consideration   | Other  |
|-------------------------------|--|---|--|
|                               |  |   | <p>2. STR parking requirements mirrors single-family residential parking standards (Oceanside)</p> <p>3. One (1) parking space per bedroom (Pismo Beach)</p> <p>4. No vehicles for guests or visitors shall be parked on a street serving residential homes (Laguna Beach)</p> <p>5. On-site parking shall be utilized before street parking (Newport Beach)</p> |
| <b>Trash/Waste Collection</b> | 1. Place trash in CR&R containers and stored out of public view except one (1) day before or after trash collection  |   | 1. STRs with three or more bedrooms require at least two (2) 90-gallon waste containers for recycling or equivalent volume (San Clemente)  |
| <b>Advertising</b>            | <p>1. No on-site exterior signs advertising STR</p> <p>2. All advertising shall include City issued permit number</p>  | 1. Visible signage from sidewalk shall identify the type of STR, the emergency contact information for the owner/manager, the City's 24 hour complaint hotline number, maximum number of occupants and parking spaces permitted | 1. Display the valid permit in the interior of the unit that is visible near the main entrance. The conditions of the permit shall be posted on the exterior in plain view of the public (Laguna Beach)  |
| <b>Violations/ Penalties</b>  | <p>1. STR Violations within a 12 month period are enforced on both the property owner and the property manager:<br/>1<sup>st</sup> violation – up to \$1,000<br/>2<sup>nd</sup> violation – up to \$5,000<br/>3<sup>rd</sup> violation – revocation</p> <p>2. Advertising for a STR without a permit:<br/>1<sup>st</sup> violation - up to a \$1000 fine for the first offense</p> |   | <p>1. Written complaints can result in Planning Commission's review for permit revocation and/or additional STR regulations (Laguna Beach)</p> <p>2. Either three (3) violations of this code, within any 12-month period, or a single violation that results in a serious threat to the public health, safety, or welfare, then a</p>                           |



**PLANNING COMMISSION AGENDA REPORT**  
**WORKSHOP REPORT**  
**SEPTEMBER 28, 2020**  
**PAGE 13**

---

Page 6 of 6

| Regulation Type | Pilot Program Recommendations   | For Consideration | Other   |
|-----------------|---|-------------------|---|
|                 | <p>2<sup>nd</sup> violation - up to a \$5000 fine and the loss of right to obtain any future STR permit for 12 months</p> <p><i>Note, STR fines are currently limited to \$1,000. Legislative action is anticipated that may increase the limit to \$5,000.</i></p> |                   | <p>hearing is required for additional conditions or permit revocation.(San Clemente)</p> <p>3. Operating or advertising and STR without a valid permit is misdemeanor. (San Clemente)</p> <p>4. Violations are misdemeanors. First violation \$750 minimum, and subsequent violation each \$1,000 (Pismo Beach)</p> |

| Regulation Type               | Drafted Pilot Program | For Consideration  |
|-------------------------------|-----------------------|--|
| STR Lodging Hosting Platforms |                       | <p>1. Hosting Platform shall be responsible for collecting TOT and remitting to the City(Laguna Beach)</p> <p>2. Hosting platforms shall disclose to the City short-term rental listing owner, address, length of stay, and price (Laguna Beach)</p> <p>3. Hosting platforms shall not complete any booking transaction for any STR unless it is listed on the City's registry of approved STRs (Laguna Beach)</p> |

## SUPPORTING DOCUMENT 2: Municipal Code Section 5.38 Short Term Rental Business Regulations

9/22/2020

Chapter 5.38 SHORT-TERM RENTAL PERMITS

Dana Point Municipal Code

[Up](#)

[Previous](#)

[Next](#)

[Main](#)

[Collapse](#)

[Search](#)

[Print](#)

[No Frames](#)

[Title 5 BUSINESS REGULATIONS](#)

### Chapter 5.38 SHORT-TERM RENTAL PERMITS

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#### 5.38.010 Purpose.

The purpose of this Chapter is to require the owner or owners of a residential dwelling unit that is used as a short-term rental, as defined herein, to apply for and secure a permit authorizing such use in the manner provided for by this Chapter in order to safeguard the peace, safety and general welfare of the residents of Dana Point and their visitors and guests by eliminating excessive noise, disorderly conduct, vandalism, overcrowding, traffic congestion, illegal vehicle parking, and the accumulation of refuse which are directly related to short-term rentals. (Added by Ord. 13-01, 4/2/13)

#### 5.38.020 Definitions.

For the purpose of this Chapter, the following definitions shall apply:

- (a) "Agent" shall mean the representative, if any, designated by the owner in accordance with Section 5.38.040.
- (b) "City Manager" shall mean the City Manager of the City of Dana Point or designee.
- (c) "Community Development Director" shall mean the Community Development Director of the City of Dana Point or designee.
- (d) "Owner" shall mean the person(s) or entity(ies) that hold(s) legal and/or equitable title to the short-term rental.
- (e) "Short-term rental" is defined as the rental of any structure or any portion of any structure for occupancy, dwelling, lodging or sleeping purposes for at least two (2) consecutive nights, but no more than thirty (30), consecutive calendar days in duration in a zoning district where residential uses are allowed, including, but not limited to, detached single-family dwellings, condominiums, duplexes, triplexes, townhomes and multiple-family dwellings. "Short-term rental" historically and continues to be included in the definition of "hotel" for purposes of collecting transient occupancy tax pursuant to Chapter 3.25 of this Code.
- (f) "Transient" means any person who occupies or is entitled to occupy by reason of concession, permit, right of access, license or other agreement for a period of thirty (30) consecutive calendar days or less, counting portions of calendar days as full days. Any such person so occupying space in a hotel is a transient until the period of thirty (30) days has expired unless there is an agreement in writing between the operator and the occupant providing for a longer period of occupancy. In determining whether a person is a transient, an uninterrupted period of time extending both prior and subsequent to the effective date of the ordinance codified in this Chapter may be considered. (Added by Ord. 13-01, 4/2/13)

#### 5.38.030 Permit Required.

No owner of a short-term rental located within a zoning district where residential uses are allowed shall rent, offer to rent, or advertise for rent the short-term rental to another person without a valid short-term rental permit approved and issued in the manner provided for by this Chapter. (Added by Ord. 13-01, 4/2/13)

#### 5.38.040 Agents.

An owner may retain an agent or a representative to comply with the requirements of this Chapter, including, without limitation, the filing of an application for a permit that has been signed and notarized by

9/22/2020

Chapter 5.38 SHORT-TERM RENTAL PERMITS

the owner, the management of the short-term rental, and the compliance with the conditions to the permit. The permit shall be issued only to the owner of the short-term rental. The owner of the short-term rental is responsible for compliance with the provisions of this Chapter and the failure of an agent to comply with this Chapter shall be deemed non-compliance by the owner. (Added by Ord. 13-01, 4/2/13)

#### **5.38.050 Application for Permit.**

The owner or owners shall submit an application for a short-term rental permit to the Director of Community Development. The application for a short-term rental permit shall be upon forms provided by the City and shall contain the following information:

- (a) The name, address and telephone number of the owner of the short-term rental for which the permit is to be issued.
- (b) The name, address and telephone number of the agent, if any, of the owner of the short-term rental.
- (c) Evidence of a valid transient occupancy tax registration certificate issued by the City for the short-term rental.
- (d) Proof of general liability insurance in the amount of one million dollars (\$1,000,000.00) combined single limit and an executed agreement to indemnify, defend, and save the City harmless from any and all claims and liabilities of any kind whatsoever resulting from or arising out of the short-term rental.
- (e) Acknowledgement of receipt and inspection of a copy of all regulations pertaining to the operation of a short-term rental within the City.
- (f) Such other information as the Director of Community Development deems reasonably necessary to administer this Chapter. (Added by Ord. 13-01, 4/2/13)

#### **5.38.055 Renewal of Permit**

The owner or owners shall apply for and renew annually at permit issuance anniversary date with any changes to the information or requirements set forth in Section 5.38.050 and shall provide a current proof of general liability insurance pursuant to Section 5.38.050(d). (Added by Ord. 13-01, 4/2/13)

#### **5.38.060 Denial of Permit.**

No application for an original permit or a subsequent renewal shall be denied if it meets the conditions of permit issuance pursuant to Section 5.38.080 unless a permit for the same short-term rental has been revoked or is in the process of being revoked pursuant to Section 5.38.100 of this Chapter. (Added by Ord. 13-01, 4/2/13)

#### **5.38.070 Filing Fee.**

An application for a short-term rental permit shall be accompanied by a fee established by resolution of the City Council; provided, however, the fee shall be no greater than necessary to defer the cost incurred by the City in administering the provisions of this Chapter. (Added by Ord. 13-01, 4/2/13)

#### **5.38.080 Conditions of Permit Issuance and Renewal.**

- (a) All permits and renewals issued pursuant to this Chapter are subject to the following standard conditions:
  - (1) The owner shall ensure that the short-term rental complies with all applicable codes regarding fire, building and safety, and all other relevant laws and ordinances.

9/22/2020

Chapter 5.38 SHORT-TERM RENTAL PERMITS

- (2) The owner shall provide proof that short-term rentals are not prohibited by its Homeowners Association Conditions, Covenants and Restrictions ("CC&Rs") or any other community standards/guidelines, applicable to the proposed short-term rental.
- (3) The short-term rental unit in which a permit is being requested must pass an initial inspection by the City prior to permit issuance. The City may conduct additional inspections as deemed necessary or prudent prior to subsequent renewals.
- (4) The owner shall provide a twenty-four (24) hour emergency contact located within a twenty-five (25) mile radius of the short-term rental that will be available to respond to issues at the short-term rental.
- (5) The short-term rental must have a minimum of two (2) off-street parking spaces.
- (6) The short term rental must have a visible house number easily seen from the street, day or night.
- (7) Short-term rentals shall be used only for overnight lodging accommodations. They may not be used for weddings, parties, bachelor/bachelorette parties, conferences or similar events.
- (8) All advertising for the short-term rental shall include the City issued permit number.
- (9) The primary overnight and daytime occupant of the short-term rental must be an adult eighteen (18) years of age or older. This adult must provide a telephone number to the owner and shall be accessible to the owner by telephone at all times.
- (10) Prior to occupancy, the owner shall obtain the name, address and driver's license number or a copy of the passport of the primary adult occupant of the short-term rental. The owner shall require that same adult to sign a formal acknowledgment that he or she is legally responsible for compliance by all occupants and guests of the short-term rental with the provisions of this Chapter. This information shall be readily available upon request of any police officer or employee of the City authorized to enforce this Chapter or State law.
- (11) The owner shall require all occupants to agree to a minimum stay of two (2) consecutive nights.
- (12) The maximum overnight occupancy of the short term rental shall be limited to two (2) persons per bedroom plus two (2) additional persons within the short-term rental. The Director of Community Development may, when unusual size, interior layout, parking or other physical characteristics are shown, approve a greater maximum number of overnight occupants as part of a permit application or renewal.
- (13) The maximum number of vehicles allowed at the short term rental shall be limited to one (1) vehicle per one (1) bedroom unit or two (2) vehicles maximum with two (2) or more bedrooms within the short term rental. The Director of Community Development may, when unusual size, parking or other physical characteristics are shown, approve a greater maximum number of vehicles as part of a permit application or renewal. The owner must make a sufficient number of parking spaces accessible to tenants to accommodate the maximum number of vehicles allowed.
- (14) No on-site exterior signs are to be posted advertising a short-term rental.
- (15) Trash and refuse shall not be left stored within public view, except in proper containers for the purpose of collection by the responsible trash hauler and between the hours of 5:00 p.m. the day before and 8:00 a.m. the day after the scheduled trash collection days, as provided in Chapter 6.10. The owner of the short-term rental shall provide sufficient trash collection containers and service to meet the demand of the occupants.
- (16) Each lease or rental agreement for a short-term rental shall include the following terms, notifications and disclosures, which shall also be posted in a conspicuous location inside the short-term rental:
  - (A) The maximum number of occupants that are permitted and notification that failure to conform to the maximum occupancy is a violation of this Chapter.
  - (B) The number of parking spaces provided and, if not adjacent to the short-term rental, the location of assigned parking and maximum number of vehicles that are permitted.



9/22/2020

Chapter 5.38 SHORT-TERM RENTAL PERMITS

(C) The trash pick-up day(s) and applicable rules and regulations pertaining to leaving or storing trash on the exterior of the property.

(D) Notification that the occupant may be cited or fined by the City and/or immediately evicted by the owner for violating any and all applicable laws.

(E) The name of the managing agency, agent, rental manager, local contact person or owner of the unit, and a telephone number at which that party may be reached at all times and 9-1-1 Emergency information.

(F) Summary of applicable Homeowners Association Conditions, Covenants and Restrictions (CC&Rs) and bylaws, including pool location and hours.

(17) The Owner shall ensure that the occupants of the short-term rental do not create unreasonable noise or disturbances, engage in disorderly conduct, or violate provisions of the Municipal Code or any State Law pertaining to noise, disorderly conduct, overcrowding, the consumption of alcohol, or the use of illegal drugs. Owners are expected to take any measures necessary to abate disturbances, including, but not limited to, directing the tenant, calling for law enforcement services, or City code enforcement officers, evicting the tenant, or any other action necessary to immediately abate the disturbance.

(18) The Owner shall, upon notification that occupants or tenants of his or her short-term rental have created unreasonable noise or disturbances, engaged in disorderly conduct, or committed violations of the Municipal Code or State Law pertaining to, but not limited to, noise, disorderly conduct, overcrowding to take action to prevent a recurrence of such conduct by those occupants or guests within twenty-four (24) hours.

(b) The Director of Community Development shall have the authority at any time to impose additional standard conditions, applicable to all short-term rentals, as necessary to achieve the objectives of this Chapter.

(c) The Director of Community Development shall have the authority to impose additional conditions on any permit in the event of any violation of the conditions to the permit or the provisions of this Chapter subject to compliance with the procedures specified in Section 5.38.100.

(d) The owner must maintain a valid transient occupancy tax registration certificate issued by the City for the short-term rental; the owner must collect and remit transient occupancy tax as required by Chapter 3.25 of the Municipal Code. (Added by Ord. 13-01, 4/2/13)

#### 5.38.090 Violations/Penalties.

(a) **Violations.** Except as described in Section 5.38.080(c), the following conduct shall constitute a violation for which the penalties specified in Subsection (b) may be imposed, or the permit revoked:

(1) The owner and/or agent has failed to comply with the standard conditions specified in Section 5.38.080(a);

(2) The owner and/or agent has failed to comply with conditions imposed by the Director of Community Development pursuant to the provisions of Section 5.38.080(b) or (c);

(3) The owner and/or agent has willfully violated the provisions of this Chapter;

(4) The owner and/or agent has failed to comply and pay any fines imposed pursuant to Subsection (b) within thirty (30) days of the date of notification; or

(5) The owner and/or agent has failed to comply and pay the transient occupancy tax or submit a report as required by Chapter 3.25 of this Code within the required time limit.

(b) **Penalties.** The penalties for violations specified in subsection (a) shall be the responsibility of the owner as follows:

(1) For the first violation within any twelve (12) month period, the penalty shall range from a notice of violation to a fine not to exceed two hundred fifty dollars (\$250.00);

(2) For a second violation within any twelve (12) month period, the penalty shall range from a notice of violation to a fine not to exceed five hundred dollars (\$500.00);

9/22/2020

Chapter 5.38 SHORT-TERM RENTAL PERMITS

(3) For a third violation within any twelve (12) month period, the penalty shall range from a notice of violation to a fine not to exceed one thousand dollars (\$1,000.00);

(4) For a fourth violation within any twelve (12) month period, the penalty shall range from a notice of violation to a fine not to exceed one thousand dollars (\$1,000.00), to revocation of the permit within the provisions of Section 5.38.100. (Added by Ord. 13-01, 4/2/13)

#### **5.38.100 Procedure for Imposition of Penalties/Revocation.**

Penalties, including a notice of violation, shall be imposed, and permits shall be revoked, only in the manner provided in this Section.

The Director of Community Development, or designee, shall conduct an investigation whenever he or she has reason to believe that an owner has committed a violation described in Section 5.38.090(a). Should the investigation reveal substantial evidence to support a finding that a violation occurred, the Director of Community Development shall issue written notice of intention to impose a penalty and/or revoke the permit. The written notice shall be served on the owner, shall specify the facts which, in the opinion of the Director of Community Development, constitute substantial evidence to establish grounds for imposition of the penalties and/or revocation, and specify that the penalties will be imposed and/or the permit will be revoked within thirty (30) days from the date the notice is given unless the owner and/or operator files, with the City Clerk and before the penalties or revocation becomes effective, a request for hearing before the City Manager or designee. (Added by Ord. 13-01, 4/2/13)

#### **5.38.110 Permits and Fees Not Exclusive.**

Permits and fees required by this Chapter shall be in addition to any license, permit or fee required under any other chapter of this Code. The issuance of any permit pursuant to this Chapter shall not relieve the owner of the obligation to comply with all other provisions of this Code pertaining to the use and occupancy of the short-term rental or the property on which it is located. (Added by Ord. 13-01, 4/2/13)

#### **5.38.120 Amortization and Amnesty Period.**

Owners of short-term rentals shall apply for a permit pursuant to this Chapter by no later than January 15, 2014. Owners of short-term rentals who, prior to the effective date of the ordinance codified in this Chapter, failed to obtain a transient occupancy registration certificate pursuant to Chapter 3.25 of this Code, may do so without penalty notwithstanding the provisions of Chapter 3.25, if an application for the certificate is filed by January 15, 2014. (Added by Ord. 13-01, 4/2/13)

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View the [mobile version](#).

**SUPPORTING DOCUMENT 3: City Council Meeting Report and Minutes, July 21, 2020**

07/21/20

Page 1

Item # 17

**CITY OF DANA POINT**

**AGENDA REPORT**

|              |   |
|--------------|---|
| Reviewed By: |   |
| DH           | X |
| CM           | X |
| CA           |   |

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**DATE:** JULY 21, 2020

**TO:** CITY MANAGER/CITY COUNCIL

**FROM:** BRENDA WISNESKI, COMMUNITY DEVELOPMENT DIRECTOR

**SUBJECT:** SHORT-TERM RENTAL SURVEY AND NEXT STEPS FOR SHORT-TERM RENTAL PILOT PROGRAM

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**RECOMMENDED ACTION:**

That the City Council:

1. Receive and file the short-term rental (STR) survey report; and
2. Direct staff to proceed with development of the Home Stay STR Pilot Program.

**BACKGROUND:**

The Short Term Rental (STR) Subcommittee first met on April 23, 2018, to evaluate and update Municipal Code regulations on STRs. The Subcommittee, comprised of Council Members Lewis and Wyatt, met several times with City staff and California Coastal Commission (CCC) staff to develop regulations and best management practices.

On October 1, 2019, City Council directed the City Manager to conduct a statistically valid survey focused on STR policy to obtain public feedback on the community's position on STRs. The City contracted with FM3 Research who conducted 500 surveys from March 12 through 18, 2020. The surveys were conducted with Dana Point registered voters that included a range of demographics.

**DISCUSSION:**

The survey was designed to obtain the community's feedback on the different types of STRs, as well as their opinion on the currently operating STRs. The three types of STRs evaluated in the survey included home stay, primary residence, and non-primary residence.

The STR survey results are provided in [Supporting Document A](#). A representative from FM3 Research will present the results at the July 21<sup>st</sup> City Council meeting.

**Pilot Program**

On February 7, 2020, the Subcommittee met with CCC staff, where it was suggested that the City develop a STR Pilot Program. The CCC staff noted that a Pilot Program would allow the City to create regulations that balance STRs compatibility with the community and the coastal access requirements of the Coastal Act. The Program would also provide the City with more flexibility to establish and refine STR regulations outside of the City's Zoning Ordinance to ensure the use is compatible with the community. The Pilot Program would require the approval of a Coastal Development Permit (CDP).

The Subcommittee developed the concepts and framework for a draft STR Pilot Program as summarized below:

1. Allowance for Home Stay STRs which requires the homeowner to be present when the unit is rented. Ensuring on-site management and oversight to immediately address issues with renters.
2. Three year trial period.
3. Annual permit renewal.
4. Core regulations: no more than two bedrooms designated for Home Stay rental, parking requirements, annual inspections, trash management, compliance with Homeowner association (HOA) and Covenants, Conditions & Restrictions (CC&R) regulations, annual notification to neighbors (with emergency contact information), all issues must be addressed within one hour, no events or parties, renters shall sign compliance with good neighbor policy, and a maximum overnight occupancy.

The City Council's direction will guide the concept that will be shared with the public and receive comments during the public workshops and public hearing(s).

Staff's recommendations for the next steps of the development of the Pilot Program include the following. If directed to proceed, the first workshop would occur in the Fall:

1. #1 Public Workshop – inform the public of STR options and intent to develop Pilot Program and explore STR mitigation concepts;
2. #2 Public Workshop – present draft Pilot Program concept to be developed by the Subcommittee, and receive comments;
3. City Council – Summarize workshop feedback and develop draft Pilot Program;
4. #3 Public Workshop – Present draft Pilot Program;
5. Planning Commission – Consider Coastal Development Permit (CDP) for Pilot Program;
6. City Council – if Coastal Development Permit (CDP) appealed; and
7. Coastal Commission – if Coastal Development Permit (CDP) appealed.

At the end of the three year trial period, if the Pilot Program is proven to be successful, the City would process a Local Coastal Program Amendment and Zoning Text Amendment to formally adopt the regulations.



07/21/20

Page 3

Item # 17

**NOTIFICATION/FOLLOW-UP:**

Stakeholders that have requested to be notified.

**STRATEGIC PLAN IMPLEMENTATION:**

Strategic Goal #5 - Provide the public with a transparent, predictable and efficient process for managing the City's land use and business regulations; guide development compatible with community expectations through appropriate planning, land use, historical preservation and development review processes and actively collaborate with businesses to foster a vibrant business climate and enhance the economic vitality of our community.

**FISCAL IMPACT:**

There is no fiscal impact associated with the recommended action.

**SUPPORTING DOCUMENTS:**

**Page No.**

A. [STR Survey Results Presentation.....4](#)

**Supporting Document A**

City of Dana Point  
City Council Regular Meeting Minutes

July 21, 2020

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**THE REGULAR TAX BILL**

- 2) THE CITY COUNCIL AUTHORIZE THE MAYOR TO SIGN A CERTIFICATION OF ASSESSMENT TO THE COUNTY OF ORANGE REGARDING SPECIAL ASSESSMENTS FOR THE 2020-21 SECURED PROPERTY TAX BILL.

Discussion ensued.

The motion carried by the following vote:

AYES: Council Member Debra Lewis, Council Member Joseph L. Muller, Council Member Paul N Wyatt, Mayor Pro Tem Jamey M. Federico, and Mayor Richard A. Viczorek

NOES: None

ABSENT: None

**UNFINISHED BUSINESS**

**16. UPDATE OF LOCAL EMERGENCY BY DIRECTOR OF EMERGENCY SERVICES CREATED BY COVID19**

City Manager Michael A. Killebrew provided a staff report.

Discussion ensued.

THE CITY COUNCIL RECEIVED AND FILED THE REPORT.

**17. SHORT TERM RENTAL SURVEY AND NEXT STEPS FOR SHORT TERM RENTAL PILOT PROGRAM**

Community Development Director Brenda Wisneski introduced Adam Sonenshein with FM3, who presented the results of the Short Term Rental (STR) survey.

Discussion ensued regarding the survey.

Senior Planner Johnathan Ciampa provided a staff report.

Discussion ensued regarding the Home Stay STR Pilot Program.

Mayor Richard A. Viczorek opened public comment.

Deanna Slocum (Dana Point) spoke in favor of continuing the Short Term Rental Program.

George Ray (Dana Point) spoke in favor of continuing the Short Term Rental Program.

City Clerk Kathy Ward read twelve (12) Public Comments that were emailed prior to 4:00 p.m.

Rob Hughes wrote against imposing a regulation requiring a homeowner to be present when the unit is rented.

City of Dana Point  
City Council Regular Meeting Minutes

July 21, 2020

Jeff Bosson wrote referencing the Coastal Commission recommendations and recommended that the City use the language used by the City of Laguna Beach.

Jeff Perry wrote in favor of having a permit and rules, but against imposing a regulation requiring a homeowner to be present when the unit is rented.

Brenda Anderson wrote asking the Council to host in-person workshops before a decision is made.

Laurie Beylik (Dana Point) wrote against imposing a regulation requiring a homeowner to be present when the unit is rented.

Stephanie Leger (Dana Point) wrote in favor of the pilot program.

Laura Lanier (Dana Point) wrote in favor of the Short Term Rental Program.

Betty Hill (Dana Point) wrote that residents should be allowed to vote on the Short Term Rental Program.

Barbara Wilson (Dana Point) wrote regarding her concerns with resident representation and enforcement surrounding the Short Term Rental Program and in favor of the Home Stay option.

John Choi (AirBnB) wrote in favor of the Short Term Rental program and against the Hosted Home Stay option.

Don Raabe (Dana Point) wrote in favor of the Short Term Rental Program.

Toni Nelson (Capistrano Beach) wrote in support of the pilot program for the Home Stay option.

Mayor Richard A. Viczorek closed public comment.

IT WAS MOVED BY PAUL N WYATT THAT THE CITY COUNCIL:

- 1) RECEIVE AND FILE THE SHORT-TERM RENTAL (STR) SURVEY REPORT; AND
- 2) DIRECT STAFF TO PROCEED WITH DEVELOPMENT OF THE HOME STAY STR PILOT PROGRAM.

Motion failed due to lack of a second.

IT WAS MOVED BY MAYOR PRO TEM JAMEY M FEDERICO, SECONDED BY COUNCIL MEMBER JOSEPH L. MULLER THAT THE CITY COUNCIL:

- 1) RECEIVE AND FILE THE SHORT-TERM RENTAL (STR) SURVEY REPORT; AND
- 2) DIRECT STAFF TO PROCEED WITH DEVELOPMENT OF STR PILOT PROGRAM.

Discussion ensued.

City of Dana Point  
City Council Regular Meeting Minutes

July 21, 2020

Mayor Pro Tem Jamey M. Federico clarified his motion, stating that he is striking "home stay" from the recommended action, directing staff to proceed with the development of the STR Pilot Program.

Mayor Richard A. Viczorek further clarified stating that receive and file the survey report does not need to be a part of the motion. He re-stated the motion, direct staff to proceed with the development of the STR Pilot Program. He verified that Mayor Pro Tem Federico's intent would be to exclude the paragraph following step 7 on page 2 of the staff report from the motion.

Community Development Director Brenda Wisneski stated that she understands that the motion would include directing staff to continue the development of the STR Pilot Program, conduct public outreach, and ultimately take the program to the Coastal Commission for a Coastal Development Permit.

Mayor Pro Tem Jamey M. Federico confirmed Ms. Wisneski's statement and that the paragraph after step 7 on page 2 of the staff report is not included in his motion.

Council Member Joseph L. Muller agreed to the second on the motion as clarified.

Discussion ensued.

A SUBSTITUTE MOTION WAS MADE BY COUNCIL MEMBER DEBRA LEWIS, SECONDED BY COUNCIL MEMBER PAUL N WYATT THAT ANY MOTION PASSED BY COUNCIL REGARDING SHORT TERM RENTALS MUST BE TAKEN TO A VOTE OF THE PEOPLE AND PASSED BY AT LEAST 50% BEFORE IT IS EFFECTIVE.

The substitute motion failed by the following vote:

AYES: Council Member Debra Lewis, and Council Member Paul N Wyatt

NOES: Council Member Joseph L. Muller, Mayor Pro Tem Jamey M. Federico, and Mayor Richard A. Viczorek

ABSENT: None

The original motion passed by the following vote:

AYES: Council Member Joseph L. Muller, Mayor Pro Tem Jamey M. Federico, and Mayor Richard A. Viczorek

NOES: Council Member Debra Lewis, and Council Member Paul N Wyatt

ABSENT: None

## NEW BUSINESS

### 18. AUTHORIZATION TO ISSUE CITY OF DANA POINT COMMUNITY FACILITIES DISTRICT NO. 2006-1 (CFD 2006-1) 2020 SPECIAL TAX REFUNDING BONDS (Headlands)

City Manager Michael A. Killebrew provided a staff report.

**SUPPORTING DOCUMENT 4:** City Council Meeting Report and Minutes, November 19, 2019

11/19/19

Page 1

Item #15

**CITY OF DANA POINT**  
**AGENDA REPORT**

|              |           |
|--------------|-----------|
| Reviewed By: |           |
| DH           | <u>X</u>  |
| CM           | <u>  </u> |
| CA           | <u>  </u> |

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**DATE:** NOVEMBER 19, 2019

**TO:** CITY MANAGER/CITY COUNCIL

**FROM:** PAUL N WYATT, CITY OF DANA POINT MAYOR PRO TEM

**SUBJECT:** APPROVAL OF ACTIONS REQUIRED TO PUT A SHORT-TERM RENTAL ORDINANCE INTO EFFECT

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**RECOMMENDED ACTION:**

That the City Council approve all the following recommended actions that establish the process and approvals that must take place before a short-term rental ordinance can go into effect in Dana Point:

- 1) Resident survey be conducted, results made public, and results reviewed at a Council Meeting. This direction has already been set by the Council;
- 2) Council must pass a short-term rental ordinance that will not become effective until approved by the California Coastal Commission and voted on and approved by a simple majority of Dana Point voters;
- 3) California Coastal Commission must approve the ordinance passed by the City Council without material changes; and
- 4) A ballot measure on the ordinance is approved by a simple majority of the Dana Point voters.

**ISSUES:**

Calendar time and sequencing are significant issues to be addressed on this issue.

Elections are only held every 2 years so if this issue is to make the November 2020 ballot the Short-term Rental Subcommittee and staff must establish a sequence and timeline of all the key events that must take place to enact an ordinance in a timely fashion.

**BACKGROUND:**

At the 07/19/2013 Dana Point City Council Meeting, an ordinance was passed to permit short-term rentals in Dana Point effective 01/15/2014. This ordinance added section 5.38 to the Municipal Code. However, the passage was contingent on acceptance by the California Coastal Commission and included the following caution:

*"However, in the event that the Coastal Commission does not approve the Local Coastal Plan Amendment associated with the proposed Zone Text Amendment, short term rental uses in the Coastal Zone will remain illegal (and presumably action to preclude them will follow). Importantly, compliance with the operating regulations ordinance, including obtaining a Short Term Rental Permit, will not be deemed sufficient to allow a short term rental use to continue in the event the Coastal Commission denies the Zone Text Amendment in Coastal Zone districts. Hence, any person desiring to operate a short term rental prior to all zoning changes becoming effective will be doing so at their own risk, knowing they are violating current City regulations which may not be changed if the Coastal Commission does not grant its approval."*

In the Spring of 2016, the Coastal Commission reviewed but did not approve the ordinance as submitted and made approval contingent on material changes to the ordinance. Ultimately these suggested changes were approved by the Council on 09/09/2016 which led to a Citizens' Referendum to block the ordinance from taking effect.

At the 11/15/2016, the success of the Referendum was accepted, and the Council rescinded and repealed the ordinances that approved the zone text amendments and local coastal plan amendments that allowed short-term rentals in Dana Point.

1. RECONSIDER AND REPEAL ORDINANCES 16-06 AND 16-07 BY ADOPTING **RESOLUTION 16-11-15-04** ENTITLED:

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF DANA POINT, CALIFORNIA, RECONSIDERING AND REPEALING ORDINANCE NO. 16-06 ENTITLED:

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF DANA POINT, CALIFORNIA, APPROVING ZONE TEXT AMENDMENT ZTA13-0001 TO ALLOW SHORT TERM RENTALS IN ALL THE ZONING DISTRICTS WHERE RESIDENTIAL USES ARE ALLOWED AND SUBMISSION AS PART OF LOCAL COASTAL PROGRAM AMENDMENT LCPA13-0001 FOR APPROVAL AND CERTIFICATION BY THE CALIFORNIA COASTAL COMMISSION; AND

RECONSIDERING AND REPEALING ORDINANCE NO. 16-07 ENTITLED:

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF DATA POINT, CALIFORNIA, APPROVING SPECIFIC PLAN AMENDMENT SPA13-0001 TO ALLOW SHORT TERM RENTALS IN ALL THE DISTRICTS WHERE RESIDENTIAL USES ARE ALLOWED WITHIN THE SPECIFIC PLAN'S BOUNDARIES AND SUBMISSION AS PART OF LOCAL COASTAL PROGRAM AMENDMENT LCPA13-0002 FOR APPROVAL AND CERTIFICATION BY THE CALIFORNIA COASTAL COMMISSION; AND

2. ADOPT A RESOLUTION RESCINDING RESOLUTION 16-05-17-02 AND 16-05-17-03 REGARDING LOCAL COASTAL PROGRAM AMENDMENT LCPA 13-0001 AND LOCAL COASTAL PROGRAM AMENDMENT LCPA 13-0002 AND REQUESTING CERTIFICATION BY THE CALIFORNIA COASTAL COMMISSION

It is useful to note that Municipal Code 5.38 which establishes the rules for issuing and maintaining short-term rental permits was not rescinded and repealed, permits can only be issued for zones where short-term rentals are permitted and rescinding and repealing the zone text amendments eliminated short-term rentals from all zones within Dana Point.

As part of that same resolution, the Council provided staff with the following direction:

3. DIRECT STAFF TO BEGIN WORKING ON A PROCESS TO ALLOW THE COUNCIL AND COMMUNITY TO EVALUATE A MEANS BY WHICH TO ADOPT ZONING REGULATIONS ACCEPTABLE TO THE COMMUNITY THAT WOULD ALLOW SHORT TERM RENTALS AND WHICH COULD BE SENT TO THE COASTAL COMMISSION FOR CONSIDERATION; AND IN THE MEANTIME, CONTINUE TO ALLOW THOSE HOLDING SHORT TERM RENTAL PERMITS TO OPERATE CONSISTENT WITH THEIR PERMITS IN THE SAME MANNER AS PREVIOUSLY DIRECTED BY COUNCIL, BUT CEASE ISSUING ANY NEW PERMITS UNTIL THE ZONING ISSUES ARE RESOLVED.

This is the direction that resulted in the formation of the Short-term Rental Subcommittee on 3/20/2018 and appointed Councilmembers Paul Wyatt and John Tomlinson to the Subcommittee. At the first meeting of the Subcommittee on 4/23/2018, the Subcommittee agreed that a draft Short-Term Rental Ordinance would not be submitted to the City Council for consideration until:

- It had been accepted by the California Coastal Commission staff
- It had a very high probability of being accepted by the residents of Dana Point when put to a vote

**DISCUSSION:**

At the March 20, 2018 City Council meeting, the Council established a Short-term Rental Subcommittee to bring a draft short-term rental ordinance back to the full Council for consideration. To date, the Subcommittee has taken the following actions:

- 12/06/2016 California Coastal Commissions published advice letter on STR ordinances. This advice letter was used by the Subcommittee to prepare for the initial discussion with the Coastal Commission staff.
- 04/20/2018 ACC-OC sponsored a roundtable on STRs that included representatives from AirBNB and HomeAway. Subcommittee member Wyatt attended this roundtable and held follow up discussions with AirBNB and HomeAway executives.
- 04/23/2018 Subcommittee meeting. This first meeting of the Subcommittee set objectives and gave direction to staff to set up meetings with a sample of holders

11/19/19

Page 4

Item #15

of STR permits and of individuals who have filed complaints against STR activities. Staff was also requested to determine the areas of the City where STRs were prohibited by HOA CC&Rs.

- 05/09/2018 Subcommittee meeting. Reviewed best practices and ordinances from other cities.
- 05/17/2018 Subcommittee meeting. Continued reviewing the pros and cons of a number of different ordinances. Approved a short-term rental survey of the residents.
- 06/21/2018 Subcommittee meeting. Reviewed short-term rental survey results.
- 06/29/2018 Meetings on-location with holders of STR permits and with individuals impacted by STR activities.
- 07/30/2018 Subcommittee members meeting with California Coastal Commission staff to discuss STR requirements of Coastal Commission. Staff provided guidance and suggested Subcommittee review the published 11/2015 through 05/2018 Coastal Commission decisions on STR ordinances.
- 09/25/2018 Subcommittee meeting. Discussed guidance from Coastal Commission staff.
- 11/20/2018 Subcommittee meeting
- 11/30/2018 Subcommittee meeting finalized a draft narrative to be sent for review and discussion with the California Coastal Commission
- 07/12/2019 California Coastal Commission – Local Government Leaders workshop on STRs.
- 08/05/2019 California Coastal Commission met with Dana Point staff and provided feedback on draft narrative submitted on 11/30/2018
- 08/13/2019 Subcommittee meeting to review workshop outcome and feedback from Coastal Commission staff. Based on this updated guidance, Subcommittee sent a draft ordinance consistent with guidance to Coastal Commission for feedback and discussion.
- 10/01/2019 City Council adopted objectives for the Short-term Rental Subcommittee's use in drafting a short-term rental ordinance:
  - Maintain the character of our neighborhoods by not encouraging absentee corporate investment
  - Firmly protect against nuisances
  - Balance the rights and responsibilities of all residents and homeowners and honor all HOA regulations
- 10/01/2019 City Council authorized the City Manager to contract for the completion of a statistically valid resident survey focused on short-term rental policy.
- 10/10/2019 Staff met with Coastal Commission staff and discussed the proposed ordinance that had been submitted.
- 10/14/2019 Subcommittee met to discuss feedback from Coastal Commission staff and determine next steps.

Additional actions taken by members of the Short-term Rental Subcommittee include:

- Conducted a semi-formal survey of DP residents to get input.



11/19/19

Page 5

Item #15

- Received and discussed enforcement advice from Host Compliance including Host Compliance's "Practical Guide to Effectively Regulating Short-Term Rentals".
- Met with Dana Point Code Enforcement to discuss enforcement issues and challenges.
- Reviewed ordinances across the state that were accepted and rejected by the Coastal Commission including Coastal Commission staff reviews and comments.
- Attended workshops and other forums on STRs to understand best practices.

**NOTIFICATION AND FOLLOW-UP:**

No notifications required at this time. The Subcommittee will bring sequence and timeline, and FM3 survey results to the City Council.

**STRATEGIC PLAN IMPLEMENTATION:**

NA.

**FISCAL IMPACT:**

The only anticipated cost of the recommended actions beyond the cost of the FMR survey which has already been approved, is the cost of placing the ordinance on the ballot. This cost is unknown at this time.

**ALTERNATIVE ACTIONS:**

Other Council-directed action.

**ACTION DOCUMENTS:**

**PAGE #**

A. None

**SUPPORTING DOCUMENTS:**

B. None

City of Dana Point  
City Council Regular Meeting Minutes

November 19, 2019

Director of General Services Robert Sedita provided a staff report.

IT WAS MOVED BY MAYOR JOSEPH L. MULLER, SECONDED BY COUNCIL MEMBER RICHARD A. VICZOREK THAT THE CITY COUNCIL AWARD AN INITIAL 6 MONTH CONTRACT TO PROFESSIONAL SPORTS FIELD MAINTENANCE, INC. FOR SPORTS FIELDS MAINTENANCE IN THE NOT-TO-EXCEED AMOUNT OF \$75,000 INCLUDING AN 11.6% CONTINGENCY; AND AUTHORIZE THE CITY MANAGER TO EXTEND THE CONTRACT ANNUALLY FOR UP TO FOUR ADDITIONAL YEARS WITH AN ANNUAL NOT-TO-EXCEED AMOUNT OF \$150,000 ANNUALLY, WITH CONTINGENCY AND CPI ADJUSTMENT, IF MUTUALLY AGREED UPON.

Discussion ensued.

The motion carried by the following vote:

AYES: Council Member Jamey M. Federico, Council Member Debra Lewis, Council Member Richard A. Viczorek, Mayor Pro Tem Paul N Wyatt, and Mayor Joseph L. Muller

NOES: None

ABSENT: None

**15. MAYOR PRO TEM WYATT: APPROVAL OF ACTIONS REQUIRED TO PUT A SHORT TERM RENTAL ORDINANCE INTO EFFECT**

Mayor Pro Tem Paul N Wyatt provided a report.

Mayor Joseph L. Muller opened Public Comment.

Barbara Wilson (Dana Point) spoke in favor of creating a Short Term Rental ballot measure for a Citywide vote and spoke against Short Term Rentals.

Sandie Iverson (Capistrano Beach) spoke in favor of creating a Short Term Rental ballot measure for a Citywide vote and spoke against Short Term Rentals.

Joanie McKnight (Dana Point) spoke in favor of creating a Short Term Rental ballot measure for a Citywide vote.

Toni Nelson (Capistrano Beach) spoke in favor of creating a Short Term Rental ballot measure for a Citywide vote and spoke against Short Term Rentals.

Sherry Cuono (Dana Point) spoke in favor of Short Term Rentals.

Betty Hill (Dana Point) spoke in favor of creating a Short Term Rental ballot measure for a Citywide vote.

Susanne Christiansen (Dana Point) spoke in favor of Short Term Rentals.

Jeanette Krueger (Dana Point) spoke in favor of Short Term Rentals.

City of Dana Point  
City Council Regular Meeting Minutes

November 19, 2019

Carla Moore (Irvine) spoke in favor of Short Term Rentals and in favor of a ballot measure with input from Short Term Rental property owners and managers.

George Ray (Dana Point) spoke in favor of Short Term Rentals.

Elizabeth Ray (Dana Point) spoke in favor of Short Term Rentals and in favor of a ballot measure with input from Short Term Rental property owners.

Miriam Rupke (Capistrano Beach) spoke in favor of Short Term Rentals and in favor of a ballot measure with input from Short Term Rental property owners.

Melissa Spangler (Capistrano Beach) spoke in favor of Short Term Rentals and in favor of a ballot measure with input from Short Term Rental property owners.

Carol Wilson (President of Spinnaker Run Association) spoke in favor of creating a Short Term Rental ballot measure for a Citywide vote and spoke against Short Term Rentals.

Felicia Lurner (Capistrano Beach) spoke against Short Term Rentals.

Shevy Akason (Dana Point) spoke in favor of Short Term Rentals and in favor of a ballot measure with input from Short Term Rental property owners.

Carol Kelly (Dana Point) spoke in favor of creating a Short Term Rental ballot measure for a Citywide vote.

Jeff Bossom (Dana Point) stated that what he wanted to say has already been stated.

Alyssa Hendrie (Dana Point) spoke in favor of Short Term Rentals and in favor of a ballot measure with input from Short Term Rental property owners.

Julian Joshua (Dana Point) spoke in favor of creating a Short Term Rental ballot measure for a Citywide vote and spoke against Short Term Rentals.

Mayor Joseph L. Muller closed Public Comment.

IT WAS MOVED BY MAYOR PRO TEM PAUL N WYATT SECONDED BY COUNCIL MEMBER DEBRA LEWIS THAT THE CITY COUNCIL APPROVE ALL THE FOLLOWING RECOMMENDED ACTIONS THAT ESTABLISH THE PROCESS AND APPROVALS THAT MUST TAKE PLACE BEFORE A SHORT TERM RENTAL ORDINANCE CAN GO INTO EFFECT IN DANA POINT:

- 1) RESIDENT SURVEY BE CONDUCTED, RESULTS MADE PUBLIC; AND RESULTS REVIEWED AT A COUNCIL MEETING. THIS DIRECTION HAS ALREADY BEEN SET BY THE COUNCIL;
- 2) COUNCIL MUST PASS A SHORT TERM RENTAL ORDINANCE THAT WILL NOT BECOME EFFECTIVE UNTIL APPROVED BY THE CALIFORNIA COASTAL COMMISSION AND VOTED ON AND APPROVED BY A SIMPLE MAJORITY OF DANA POINT VOTERS;

City of Dana Point  
City Council Regular Meeting Minutes

November 19, 2019

- 3) CALIFORNIA COASTAL COMMISSION MUST APPROVE THE ORDINANCE PASSED BY THE CITY COUNCIL WITHOUT MATERIAL CHANGES; AND
- 4) A BALLOT MEASURE ON THE ORDINANCE IS APPROVED BY A SIMPLE MAJORITY OF THE DANA POINT VOTERS.

Discussion ensued.

A SUBSTITUTE MOTION WAS MADE BY COUNCIL MEMBER JAMEY M. FEDERICO, SECONDED BY MAYOR JOSEPH L. MULLER TO CONTINUE THIS ITEM UNTIL AN ORDINANCE IS DRAFTED.

Discussion ensued.

The substitute motion failed by the following vote:

AYES: Council Member Jamey M. Federico, and Mayor Joseph L. Muller

NOES: Council Member Debra Lewis, Council Member Richard A. Viczorek, and Mayor Pro Tem Paul N Wyatt

ABSENT: None

The original motion failed by the following vote:

AYES: Council Member Debra Lewis, and Mayor Pro Tem Paul N Wyatt

NOES: Council Member Jamey M. Federico, Council Member Richard A. Viczorek, and Mayor Joseph L. Muller

ABSENT: None

### **COUNCIL REPORTS, INCLUDING CITY RELATED MEETINGS ATTENDED**

Council Member Jamey M. Federico stated that he met with members of the original Town Center Committee and would like to discuss the plan further at a later date with the Council. He stated that he turned in his list of meetings attended to the City Clerk

Council Member Debra Lewis stated that she had nothing to report.

Council Member Richard A. Viczorek stated that he had nothing to report.

Mayor Pro Tem Paul N Wyatt stated that he turned in his list of meetings attended to the City Clerk. He added that he met with Jason Check of Raintree Partners and discussed issues that he has identified in the Town Center Plan and is interested in revisiting the plan with Council at a later date.

Mayor Joseph L. Muller stated that he turned in his list of meetings attended to the City Clerk. He invited the community to the Winter Fest at La Plaza Park, the decoration of the tree by the R.H. Dana special needs students, and the tree lighting at Pines Park.

**SUPPORTING DOCUMENT 5: City Council Meeting Report and Minutes, October 1, 2019**

10/01/19

Page 1

Item #09

**CITY OF DANA POINT  
AGENDA REPORT**

|              |     |
|--------------|-----|
| Reviewed By: |     |
| DH           | X   |
| CM           | ___ |
| CA           | ___ |

---

**DATE:** OCTOBER 1, 20190  
**TO:** CITY MANAGER/CITY COUNCIL  
**FROM:** COUNCIL MEMBER JAMEY FEDERICO  
**SUBJECT:** SHORT TERM RENTAL SUBCOMMITTEE POLICY DIRECTION

---

**RECOMMENDED ACTION:**

That the City Council:

1. Formally adopt policy objectives that Staff and the Short Term Rental Subcommittee will use in drafting any proposed ordinance. Any short term rental ordinance must:
  - a. Maintain the character of our neighborhoods by not encouraging absentee corporate investment.
  - b. Firmly protect against nuisances.
  - c. Balance the rights and responsibilities of all residents and homeowners and honor HOA regulations.
2. Direct that Short Term Rental Subcommittee meetings be open to the public.
3. Authorize the City Manager to contract for the completion of a statistically valid resident survey focused on short term rental policy.

**BACKGROUND:**

The current Short Term Rental Subcommittee first met in April 2018 and an informal survey was conducted in June 2018. The City's current proposed draft ordinance phases out all short term rentals with the exception of "home stays". The City is waiting to hear the California Coastal Commission's (CCC) response to the proposed ordinance.

**DISCUSSION:**

Dana Point prides itself on being a friendly, accessible beach town. Our heritage as a beach destination for Southern Californians began even before the S.H. Woodruff development era, where Woodruff marketed Dana Point as a "scenic resort" within driving distance of Los Angeles and San Diego. Dana Point is still a destination today: for full-time residents, for retirees, and for visitors. Many of our visitors choose to use short term rentals, and many of the vacation rentals in Dana Point predate the City itself. For many

10/01/19

Page 2

Item #09

Dana Point homeowners, the short term rental of their home is crucial to their ability to maintain home ownership here. For others, renting their home in the summer months allows them to maintain residence in Dana Point the rest of the year. Vacation rentals are also a significant part of Dana Point's economy, having contributed over \$800,000 in transient occupancy tax to the City in FY19.

Vacation rentals can also be a nuisance to neighbors and tenants alike if they are poorly operated, unregulated, or unsupervised by engaged enforcement. Finally, Dana Point must ensure that our Local Coastal Program is compliant with the California Coastal Act. The City needs to adopt a reasonable and responsible ordinance that balances these important factors. In order to minimize delays with the CCC, the City Council and Staff should be aligned in our policy objectives prior to submittal of draft ordinances.

**NOTIFICATION AND FOLLOW-UP:** None

**FISCAL IMPACT:** City Manager will advise City Council on survey costs.

**ALTERNATIVE ACTIONS:** As directed by the City Council.

**ACTION DOCUMENTS:** None

**SUPPORTING DOCUMENTS:** None

City of Dana Point  
City Council Regular Meeting Minutes

October 1, 2019

*CALIFORNIA, APPROVING THE APPLICATION FOR THE STATE OF CALIFORNIA PARKS AND WATER BOND OF 2018 PER CAPITA GRANT PROGRAM; and*

- 2) AUTHORIZED THE CITY MANAGER OR HIS DESIGNEES TO APPLY FOR SUBJECT GRANTS.
8. **ADOPT A RESOLUTION AUTHORIZING THE CITY OF DANA POINT TO SUBMIT A LOCAL COASTAL PROGRAM PLANNING GRANT APPLICATION TO THE CALIFORNIA COASTAL COMMISSION**

- 1) **ADOPTED RESOLUTION 19-10-01-02 ENTITLED:**

*A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF DANA POINT, CALIFORNIA, AUTHORIZING THE CITY OF DANA POINT TO SUBMIT A LOCAL COASTAL PROGRAM PLANNING GRANT APPLICATION TO THE CALIFORNIA COASTAL COMMISSION; and*

- 2) AUTHORIZED THE CITY MANAGER TO SIGN ALL NEEDED DOCUMENTATION UNDER THE CALIFORNIA COASTAL COMMISSION (CCC) GRANT PROGRAM, AND AMEND THE BUDGET AS DESCRIBED IN THE FISCAL IMPACT SECTION.

#### **PUBLIC COMMENTS**

Barbara Wilson (Dana Point) stated that she was concerned with the recording of the September 17, 2019 meeting, but is relieved to hear of the back-up technology now in place.

#### **PUBLIC HEARINGS**

There were no Public Hearings.

#### **UNFINISHED BUSINESS**

There were no Unfinished Business items.

#### **NEW BUSINESS**

9. **COUNCILMEMBER FEDERICO: SHORT TERM RENTAL SUBCOMMITTEE POLICY DIRECTION**

Council Member Jamey M. Federico provided a report.

Mayor Joseph L. Muller opened Public Comment.

Roger Malcom (Capistrano Beach) spoke in opposition of allowing Short Term Rentals.

Deby Snow Grover (Property Manager) spoke in favor of allowing permitted Short Term Rentals.

Ken Piloti (Dana Point) spoke in favor of allowing permitted Short Term Rentals.

City of Dana Point  
City Council Regular Meeting Minutes

October 1, 2019

Shevy Akason (Dana Point) spoke in favor of allowing permitted Short Term Rentals.

Betha Lea Everett (Dana Point) spoke in favor of allowing permitted Short Term Rentals.

Greg Linn (Dana Point) spoke in opposition of allowing permitted Short Term Rentals.

Gabrielle Buckley (Pasadena) spoke in favor of allowing permitted Short Term Rentals.

Barbara Wilson (Dana Point) spoke in favor of allowing Short Term Rentals with a hosted stay policy.

Deanna Slocum (Dana Point) spoke in favor of allowing permitted Short Term Rentals.

Miriam Rupke (Capistrano Beach) spoke in favor of allowing permitted Short Term Rentals.

Susanne Christensen (Dana Point) spoke in favor of allowing permitted Short Term Rentals.

Jason Colaco (Dana Point) spoke in favor of allowing permitted Short Term Rentals.

Betty Hill (Capistrano Beach) spoke in opposition of allowing permitted Short Term Rentals.

Dana Yarger (Dana Point) spoke in favor of allowing permitted Short Term Rentals.

Hoyin Ip (Dana Point) spoke of the importance of transparency in committees and groups.

Melissa Spanglin (Capistrano Beach) spoke in favor of allowing permitted Short Term Rentals.

Jeff Lurner (Dana Point) spoke in opposition of allowing permitted Short Term Rentals.

Felicia (Dana Point) spoke in opposition of allowing permitted Short Term Rentals.

Mayor Joseph L. Muller closed Public Comment.

Discussion ensued.

IT WAS MOVED BY COUNCIL MEMBER JAMEY M. FEDERICO, SECONDED BY COUNCIL MEMBER RICHARD A. VICZOREK THAT THE CITY COUNCIL:

- 1) FORMALLY ADOPT POLICY OBJECTIVES THAT STAFF AND THE SHORT TERM RENTAL SUBCOMMITTEE WILL USE IN DRAFTING ANY PROPOSED ORDINANCE. ANY SHORT TERM RENTAL ORDINANCE MUST:
  - a. MAINTAIN THE CHARACTER OF OUR NEIGHBORHOODS BY NOT ENCOURAGING ABSENTEE CORPORATE INVESTMENT.
  - b. FIRMLY PROTECT AGAINST NUISANCES.
  - c. BALANCE THE RIGHTS AND RESPONSIBILITIES OF ALL RESIDENTS AND HOMEOWNERS AND HONOR HOA REGULATIONS; AND
- 2) DIRECT THAT SHORT TERM RENTAL SUBCOMMITTEE MEETINGS BE OPEN TO THE PUBLIC; AND



City of Dana Point  
City Council Regular Meeting Minutes

October 1, 2019

- 3) AUTHORIZE THE CITY MANAGER TO CONTRACT FOR THE COMPLETION OF A STATISTICALLY VALID RESIDENT SURVEY FOCUSED ON SHORT TERM RENTAL POLICY.

A SUBSTITUTE MOTION WAS MADE BY COUNCIL MEMBER DEBRA LEWIS THAT THE CITY COUNCIL VOTE ON EACH ACTION SEPARATELY FROM COUNCIL MEMBER FEDERICO'S MOTION; AND ADD TO THIS MOTION TO DIRECT ANY SHORT TERM RENTAL POLICY DECISION TO GO TO A VOTE OF THE PEOPLE.

The substitute motion failed due to a lack of a second.

COUNCIL MEMBER JAMEY M. FEDERICO AMENDED THE ORIGINAL MOTION, SECONDED BY COUNCIL MEMBER RICHARD A. VICZOREK THAT THE CITY COUNCIL VOTE ON EACH ACTION SEPARATELY AND AMENDED LANGUAGE IN ACTION 2 TO DIRECT THAT SHORT TERM RENTAL SUBCOMMITTEE CONDUCT PUBLIC OUTREACH

Each separate action carried by the following votes:

- 1) FORMALLY ADOPT POLICY OBJECTIVES THAT STAFF AND THE SHORT TERM RENTAL SUBCOMMITTEE WILL USE IN DRAFTING ANY PROPOSED ORDINANCE. ANY SHORT TERM RENTAL ORDINANCE MUST:
- a. MAINTAIN THE CHARACTER OF OUR NEIGHBORHOODS BY NOT ENCOURAGING ABSENTEE CORPORATE INVESTMENT.
  - b. FIRMLY PROTECT AGAINST NUISANCES.
  - c. BALANCE THE RIGHTS AND RESPONSIBILITIES OF ALL RESIDENTS AND HOMEOWNERS AND HONOR HOA REGULATIONS

AYES: Council Member Jamey M. Federico, Council Member Richard A. Viczorek, Mayor Pro Tem Paul N Wyatt, and Mayor Joseph L. Muller

NOES: Council Member Debra Lewis

ABSENT: None

- 2) DIRECT THAT SHORT TERM RENTAL SUBCOMMITTEE CONDUCT PUBLIC OUTREACH

AYES: Council Member Jamey M. Federico, Council Member Debra Lewis, Council Member Richard A. Viczorek, Mayor Pro Tem Paul N Wyatt, and Mayor Joseph L. Muller

NOES: None

ABSENT: None

- 3) AUTHORIZE THE CITY MANAGER TO CONTRACT FOR THE COMPLETION OF A STATISTICALLY VALID RESIDENT SURVEY FOCUSED ON SHORT TERM RENTAL POLICY

AYES: Council Member Jamey M. Federico, Council Member Debra Lewis, and Mayor Pro Tem Paul N Wyatt

NOES: Council Member Richard A. Viczorek, and Mayor Joseph L. Muller

ABSENT: None

**SUPPORTING DOCUMENT 6: March 2020 STR Survey Results**

MARCH 12-18, 2020



CITY OF DANA POINT SHORT-TERM RENTAL SURVEY  
 320-874-WT  
 N=500  
 MARGIN OF SAMPLING ERROR  $\pm 4.4\%$  (95% CONFIDENCE INTERVAL)

Hello, I'm \_\_\_\_\_ from \_\_\_\_\_, a public opinion research company. I am definitely NOT trying to sell you anything. We are conducting an opinion survey about issues that interest people living in the City of Dana Point, and we are only interested in your opinions. May I speak to \_\_\_\_\_? **YOU MUST SPEAK TO THE VOTER LISTED. VERIFY THAT THE VOTER LIVES AT THE ADDRESS LISTED, OTHERWISE TERMINATE. (IF NOT AVAILABLE, ASK WHEN IT WOULD BE CONVENIENT TO CALL AGAIN.)**

A. Before we begin, I need to know if I have reached you on a cell phone. **(IF YES, ASK:)** "Are you in a safe place where you can talk?"

Yes, cell and in safe place ----- 81 %  
 Yes, cell not in safe place ----- **TERMINATE**  
 No, not on cell ----- 19 %  
**(DON'T READ) DK/REFUSED--- TERMINATE**

1. OK, let's begin. First, do you think things in \_\_\_\_\_ are generally headed in the right or wrong direction? **(DO NOT ROTATE)**

|                                  | <u>RIGHT</u><br><u>DIRECTION</u> | <u>WRONG</u><br><u>DIRECTION</u> | <u>(DON'T READ)</u><br><u>DK/NA</u> |
|----------------------------------|----------------------------------|----------------------------------|-------------------------------------|
| a. The City of Dana Point -----  | 65 % -----                       | 22 % -----                       | 13 % -----                          |
| b. Your local neighborhood ----- | 75 % -----                       | 15 % -----                       | 11 % -----                          |

FM3 RESEARCH

320-874-WT

PAGE 2

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

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

FM3 RESEARCH

320-874-WT

PAGE 3

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

**(SPLIT SAMPLE C ONLY)**

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

☐ The City should allow existing short-term rental owners to continue operating with no changes to City policy-----14 %  
☐ The City should allow existing short-term rental owners to continue operating, but should add more regulations about noise, parking and other issues-----34 %  
☐ The City should reduce the number of short-term rentals allowed in the City -----28 %  
☐ The City should offer short-term rental permits to more homeowners -----18 %  
**(DON'T READ)** Don't know/NA -----7 %

**(RESUME ASKING ALL RESPONDENTS)**

4. Next, I would like to ask your opinion about a few different kinds of short-term rentals that could be considered for Dana Point. The first is known as a home stay rental, which is when a homeowner rents out a portion of their home for between one and 29 consecutive days, and the homeowner continues to live there at all times while visitors are renting. In general, do you favor or oppose the City allowing one of YOUR NEIGHBORS to offer this kind of short-term home stay rental? **(IF FAVOR/OPPOSE, ASK: "Is that strongly FAVOR/OPPOSE or just somewhat?")**

**TOTAL FAVOR----- 56%**  
Strongly favor-----26 %  
Somewhat favor-----30 %

**TOTAL OPPOSE ----- 41%**  
Somewhat oppose-----15 %  
Strongly oppose-----26 %

**(DON'T READ) DK/NA -----3 %**

FM3 RESEARCH

320-874-WT

PAGE 4

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

TOTAL FAVOR----- 53%  
Strongly favor----- 31 %  
Somewhat favor----- 22 %

TOTAL OPPOSE ----- 45%  
Somewhat oppose----- 15 %  
Strongly oppose----- 30 %

(DON'T READ) DK/NA----- 2%

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

TOTAL FAVOR----- 40%  
Strongly favor----- 23 %  
Somewhat favor----- 17 %

TOTAL OPPOSE ----- 59%  
Somewhat oppose----- 14 %  
Strongly oppose----- 45 %

(DON'T READ) DK/NA----- 1%

FM3 RESEARCH

320-874-WT

PAGE 5

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

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

|   | 1 <sup>st</sup><br>Choice | 2 <sup>nd</sup><br>Choice |
|---|---------------------------|---------------------------|
| <input type="checkbox"/> Renters taking up parking spaces on neighborhood streets -----                             | 21 %                      | 23 %                      |
| <input type="checkbox"/> Renters creating too much noise-----   | 10 %                      | 17 %                      |
| <input type="checkbox"/> Less housing available for long-term renters.-----   | 10 %                      | 9 %                       |
| <input type="checkbox"/> Renters leaving trash out or otherwise hurting the visual appeal of the neighborhood ----- | 3 %                       | 15 %                      |
| <input type="checkbox"/> Unknown people coming in and out of your neighborhood making you feel less safe -----      | 48 %                      | 24 %                      |
| None of the above-----  | 6 %                       | 8 %                       |
| (DON'T READ) DK/NA -----  | 2 %                       | 4 %                       |

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

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

|   | 1 <sup>st</sup><br>Choice | 2 <sup>nd</sup><br>Choice |
|---|---------------------------|---------------------------|
| <input type="checkbox"/> Tax dollars collected for City services -----              | 4 %                       | 7 %                       |
| <input type="checkbox"/> Supplemental income for homeowners -----                   | 15 %                      | 32 %                      |
| <input type="checkbox"/> Homeowners having the right to rent out their homes-----   | 49 %                      | 19 %                      |
| <input type="checkbox"/> Bringing in tourists to help the local economy -----       | 11 %                      | 15 %                      |
| <input type="checkbox"/> Do not expect it will impact you in a significant way----- | 10 %                      | 13 %                      |
| None of the above-----  | 8 %                       | 12 %                      |
| (DON'T READ) DK/NA -----  | 2 %                       | 3 %                       |

FM3 RESEARCH

320-874-WT

PAGE 6

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

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

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

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

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

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

FM3 RESEARCH

320-874-WT

PAGE 7

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

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

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

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

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

|   | 1 <sup>st</sup><br>Choice | 2 <sup>nd</sup><br>Choice |
|---|---------------------------|---------------------------|
| <input type="checkbox"/> Tax dollars collected for City services -----              | 6%                        | 9%                        |
| <input type="checkbox"/> Supplemental income for homeowners -----                   | 13%                       | 30%                       |
| <input type="checkbox"/> Homeowners having the right to rent out their homes-----   | 56%                       | 16%                       |
| <input type="checkbox"/> Bringing in tourists to help the local economy -----       | 7%                        | 14%                       |
| <input type="checkbox"/> Do not expect it will impact you in a significant way----- | 11%                       | 15%                       |
| None of the above-----  | 6%                        | 14%                       |
| (DON'T READ) DK/NA -----  | 1%                        | 2%                        |

(SPLIT SAMPLE D ONLY)

13. As you may know, a few years ago, the Dana Point City government granted annual permits for about 150 short-term rentals in the city which are still in effect today, but no more permits are being offered. With that information in mind, which of the following would you prefer? (RANDOMIZE AND READ OPTIONS)
- ☐ The City should allow existing short-term rental owners to continue operating with no changes to City policy----- 11%
- ☐ The City should allow existing short-term rental owners to continue operating, but should add more regulations about noise, parking and other issues ----- 38%
- ☐ The City should reduce the number of short-term rentals allowed in the City ----- 25%
- ☐ The City should offer short-term rental permits to more homeowners ----- 22%
- (DON'T READ) Don't know/NA ----- 4%



FM3 RESEARCH

320-874-WT

PAGE 8

(RESUME ASKING ALL RESPONDENTS)

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

|   | STR<br>FAVOR | SMWT<br>FAVOR | SMWT<br>OPPOSE | STR<br>OPPOSE | DON'T<br>KNOW | TOTAL<br>FAVOR | TOTAL<br>OPPOSE |
|---|--------------|---------------|----------------|---------------|---------------|----------------|-----------------|
| [ ]a. Limiting the number of days per year that a home can be used as a short-term rental-----  | 40%          | 17%           | 17%            | 23%           | 3%            | 58%            | 40%             |
| [ ]b. Requiring short-term rental owners to install noise level monitoring devices that can be monitored remotely-----                        | 32%          | 22%           | 16%            | 25%           | 5%            | 54%            | 41%             |
| [ ]c. Requiring short-term rental homes to offer parking in driveways or garages-----   | 62%          | 23%           | 7%             | 6%            | 1%            | 85%            | 13%             |
| [ ]d. Limiting the number of occupants that can rent a short-term housing unit by the size of the home or number of bedrooms in a home-----   | 64%          | 16%           | 7%             | 11%           | 2%            | 79%            | 18%             |
| [ ]e. Establishing a substantial fine on short-term rental owners who violate the City's rules, with increasing fines for each violation----- | 55%          | 22%           | 10%            | 10%           | 3%            | 77%            | 20%             |

(ASK SPLIT SAMPLE A ONLY)

|   |     |     |    |     |    |     |     |
|---|-----|-----|----|-----|----|-----|-----|
| [ ]f. Requiring short-term rental owners to create and provide a nuisance response plan that includes the contact information for a person who can be responsible at all times if nearby residents experience problems with a renter----- | 57% | 27% | 5% | 10% | 2% | 83% | 14% |
|---|-----|-----|----|-----|----|-----|-----|

(ASK SPLIT SAMPLE B ONLY)

|   |     |     |    |     |    |     |     |
|---|-----|-----|----|-----|----|-----|-----|
| [ ]g. Requiring short-term rental landlords to designate an individual who is available to respond to complaints within an hour, 24 hours a day, 7 days a week----- | 56% | 22% | 9% | 11% | 1% | 79% | 21% |
|---|-----|-----|----|-----|----|-----|-----|

(RESUME ASKING ALL RESPONDENTS)

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

Yes ----- 10%  
No ----- 90%  
(DON'T READ) Don't know/NA-----0%

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320-874-WT

PAGE 9

|  |
|--|
| HERE ARE MY FINAL QUESTIONS. THEY ARE JUST FOR STATISTICAL PURPOSES. |
|--|

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

|                                 |     |
|---------------------------------|-----|
| Less than one year-----         | 5%  |
| One to four years-----          | 21% |
| Five to nine years-----         | 19% |
| 10 to 14 years-----             | 12% |
| 15 to 29 years-----             | 22% |
| More than 29 years-----         | 20% |
| (DON'T READ) DK/NA/Refused----- | 0%  |

17. Do you live in a homeowners' association?

|                                 |     |
|---------------------------------|-----|
| Yes-----                        | 42% |
| No-----                         | 56% |
| (DON'T READ) DK/NA/Refused----- | 1%  |

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

|                                 |     |
|---------------------------------|-----|
| Own-----                        | 70% |
| Rent-----                       | 28% |
| (DON'T READ) DK/NA/Refused----- | 2%  |

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

|                                   |     |
|-----------------------------------|-----|
| Detached, single-family home----- | 60% |
| Townhome-----                     | 12% |
| Condominium-----                  | 12% |
| Apartment-----                    | 13% |
| Mobile home-----                  | 1%  |
| (DON'T READ) DK/Refused-----      | 1%  |

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

FM3 RESEARCH

Gender by observation:

Party Registration: From file

AGE

18-24 ----- 8 %  
 25-29 ----- 5 %  
 30-34 ----- 5 %  
 35-39 ----- 7 %  
 40-44 ----- 5 %  
 45-49 ----- 7 %  
 50-54 ----- 8 %  
 55-59 ----- 12 %  
 60-64 ----- 10 %  
 65-74 ----- 22 %  
 75+ ----- 11 %

CA FLAGS - VOTE HISTORY

P12 ----- 25 %  
 G12 ----- 54 %  
 P14 ----- 26 %  
 G14 ----- 39 %  
 P16 ----- 50 %  
 G16 ----- 70 %  
 P18 ----- 50 %  
 G18 ----- 74 %  
 BLANK ----- 17 %

VOTE BY MAIL

1 ----- 15 %  
 2 ----- 10 %  
 3+ ----- 38 %  
 Blank ----- 37 %

320-874-WT

Male ----- 48 %  
 Female ----- 52 %  
 Non-binary ----- 0 %  
 Prefer not to answer ----- 0 %

Democrat ----- 28 %  
 Republican ----- 43 %  
 No Party Preference ----- 24 %  
 Other party ----- 5 %

PERMANENT ABSENTEE

Yes ----- 82 %  
 No ----- 18 %

HOUSEHOLD PARTY

1 DEM ----- 15 %  
 2+ DEMS ----- 5 %  
 1 REP ----- 22 %  
 2+ REPS ----- 14 %  
 1+ INDEPENDENT ----- 23 %  
 MIXED ----- 21 %

CCD

1 ----- 21 %  
 2 ----- 20 %  
 3 ----- 20 %  
 4 ----- 19 %  
 5 ----- 20 %

ZIP CODES

92624 ----- 21 %  
 92629 ----- 79 %

MODE

Online ----- 45 %  
 Phone ----- 55 %



# Opinions on Short-Term Rentals in Dana Point

*Summary of Survey Results*  
Survey Conducted: March 12-18, 2020



FAIRBANK, MASLIN,  
MAULLIN, METZ  
& ASSOCIATES

320-874

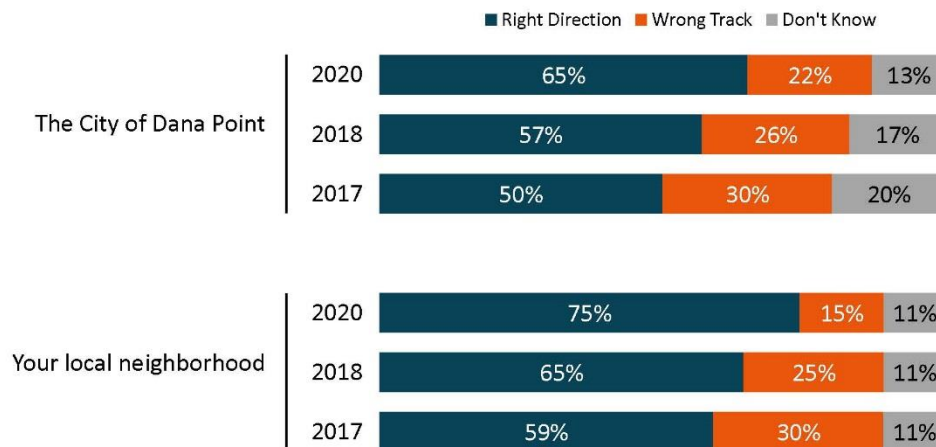
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## Survey Methodology

- 500 interviews conducted among Dana Point registered voters
- Conducted March 12<sup>th</sup> – 18<sup>th</sup>, 2020
- Interviews conducted online and via phone (landlines and cell phones)
- Overall Margin of Error of  $\pm 4.4$  percentage points
- Due to rounding, some percentages do not add up to 100%

## Perceptions of the direction of the city and local neighborhoods are on an upward trajectory.

(NOTE: Current survey question language different from the other two surveys)

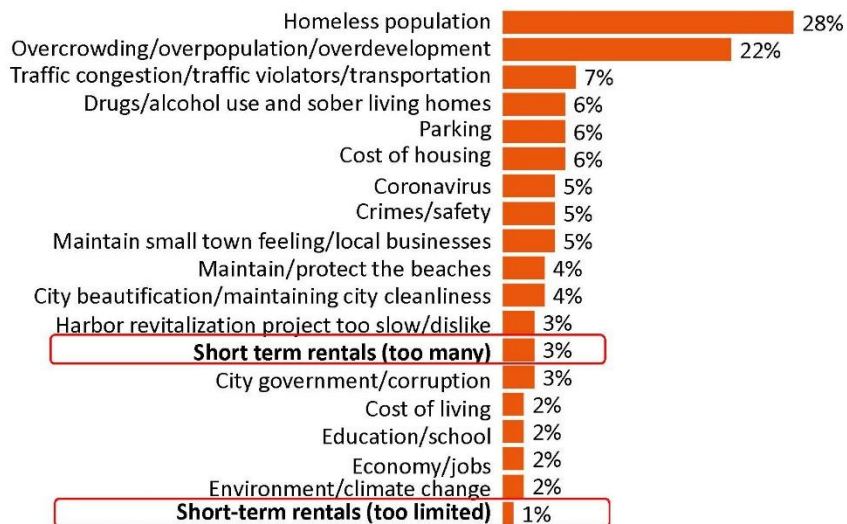


Q. Do you think things in \_\_\_\_\_ are generally headed in the right or wrong direction?

2

## Homelessness and overdevelopment were considered to be the most serious issues.

(Open-ended question where no response options were provided;  
Up to 3 responses accepted; Responses grouped)



Q. What do you think is the most serious issue facing the residents of Dana Point that you would like to see City government do something about?

3

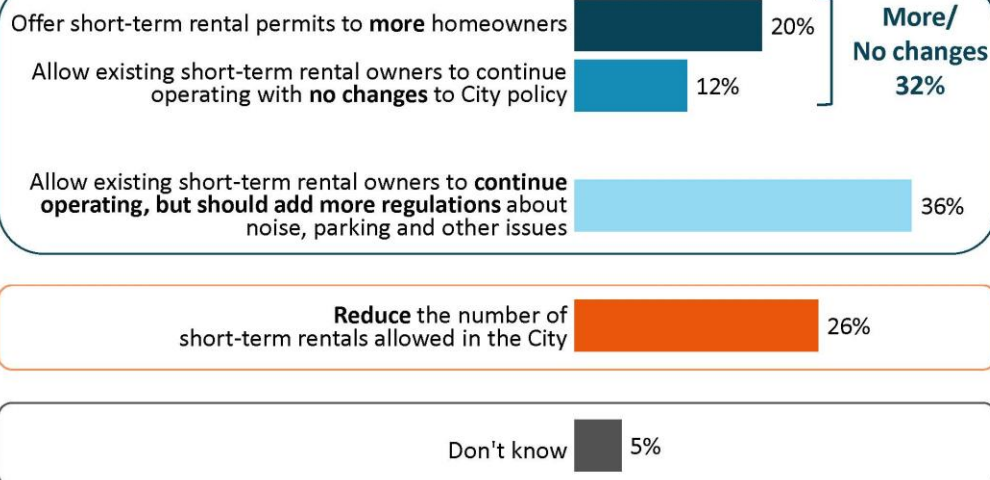
## Definition of Short-Term Rentals Provided in Survey

“Short-term rentals are entire residential houses or apartments, or rooms within those houses or apartments, that are rented out to visitors for between one and 29 consecutive days for a fee. These short-term rentals are often arranged on websites such as Airbnb, Home Away and VRBO.”

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4

**For existing short-term rentals, approximately a third want either more short-term rentals or no changes and a third prefer to add more regulations. Approximately a quarter want to reduce the number of existing short-term rental permits reduced.**



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

5



## Definitions of Types of Short-Term Rentals Provided in Survey

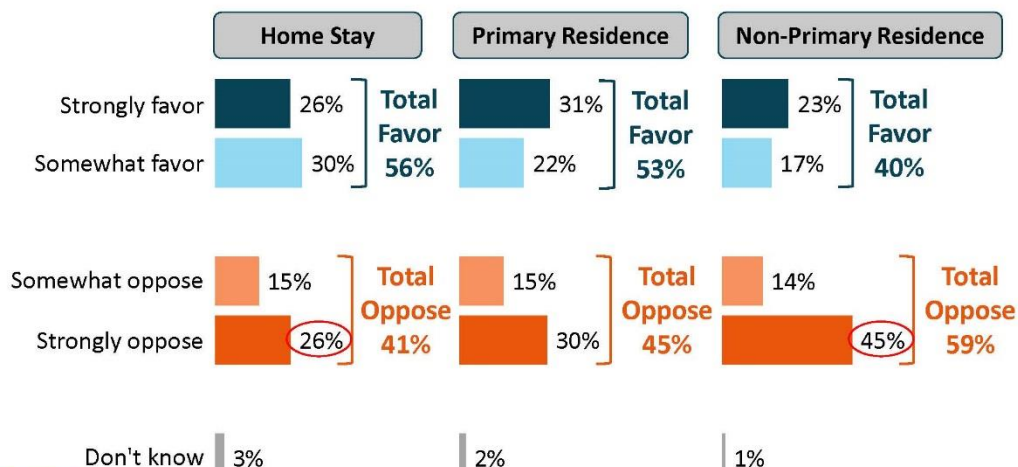
Home Stay – A homeowner rents out a portion of their home for between one and 29 consecutive days, and the homeowner continues to live there at all times while visitors are renting.

Primary Residence – A homeowner rents out their own primary residence to visitors for between one and 29 consecutive days while the homeowner is traveling or living elsewhere.

Non-Primary Residence – A property owner rents out homes other than their primary residence to visitors for between one and 29 consecutive days.

**A small majority of voters favor allowing their neighbors to offer home stay short-term rentals, and to rent out their full primary residence, but oppose allowing property owners to rent out non-primary residences next to them on a short-term basis.**

*In general, do you favor or oppose the City allowing one of YOUR NEIGHBORS/THE HOMES NEXT DOOR TO YOU to offer this kind of short-term home stay rental?*



### Most Common Reasons for Opposing STRs

- Primary:
  - Safety concerns from unknown people coming in and out
- Secondary:
  - Parking
  - Noise (except for home stay rentals)

### Most Common Reasons for Supporting STRs

- Primary:
  - Property owners' right to rent
- Secondary:
  - Supplemental income for property owners
  - Bringing tourists to help local economy
  - Do not expect it will impact residents

## Conclusions

- For current short-term rental permits, a plurality of voters prefer allowing them to continue to operate, but with additional regulations. About a third want them expanded or to keep the same number of permits with no changes. About a quarter want to reduce the number existing short-term rental permits.
- Small majorities support home-stay rentals and primary residence rentals next door to them.
- A majority opposes allowing non-primary residence rentals next door to them.
- Common reasons for opposing short-term rentals are safety concerns from unknown people coming in and out of neighborhoods, parking and noise (except for home-stay rentals).
- Common reason for supporting short-term rentals of all types are property owners' right to rent out their property, supplemental income for property owners, the boost to the local economy, and because short-term rentals would not impact supporters.



## SUPPORTING DOCUMENT 7: 2018 STR Survey Results



### SHORT TERM RENTAL RESULTS SUMMARY

#### WHAT BEST DESCRIBES YOU?

|                         |     |
|-------------------------|-----|
| Property owner.....     | 85% |
| Renter.....             | 13% |
| Part-time Resident..... | 1%  |
| Other.....              | 1%  |

#### DO YOU LIVE NEAR A SHORT TERM RENTAL (STR)?

|          |     |
|----------|-----|
| Yes..... | 70% |
| No.....  | 30% |

#### YES? RATE YOUR SATISFACTION WITH THE OPERATION OF THE STR:

|                      |     |
|----------------------|-----|
| Many Issues.....     | 26% |
| Very Few Issues..... | 22% |
| No Issues.....       | 52% |

##### Comments:

|   |    |
|---|----|
| - Positive feedback                       | 36 |
| - Long term renter displacement           | 10 |
| - Speculators buying up housing stock     | 12 |
| - Deterioration of neighborhood character | 28 |
| - Drug abuse                              | 7  |
| - Party houses                            | 22 |
| - Litter / insufficient garbage service   | 26 |
| - Overcrowding                            | 11 |
| - Crime                                   | 5  |
| - Property damage                         | 3  |
| - Absentee owners                         | 9  |

#### ARE STRS AN ISSUE IN RESIDENTIAL NEIGHBORHOODS?

|          |     |
|----------|-----|
| Yes..... | 53% |
| No.....  | 47% |

#### WOULD SOME OR ALL OF YOUR ISSUES WITH STRS BE ADDRESSED WITH THE CONTACT PHONE NUMBER OF A STR PROPERTY OWNER/MANAGER THAT WOULD BE AVAILABLE 24 HOURS A DAY AND ON-SITE WITHIN ONE HOUR?

|          |     |
|----------|-----|
| Yes..... | 59% |
| No.....  | 41% |

#### SHOULD STRS BE ALLOWED IN RESIDENTIAL NEIGHBORHOODS (E.G. SINGLE FAMILY, DUPLEX, TRIPLEX, ETC)?

|          |     |
|----------|-----|
| Yes..... | 57% |
| No.....  | 43% |

#### WHERE DO YOU BELIEVE STRS SHOULD BE LOCATED IN THE CITY? SELECT ALL AREAS YOU BELIEVE STRS SHOULD BE ALLOWED. ADDITIONAL AREAS CAN BE ADDED IN THE COMMENT BOX NEXT TO "OTHER"

|  |     |
|--|-----|
| All residential areas.....                           | 239 |
| Only multi-family areas (duplex, triplex, etc.)..... | 97  |
| Commercial areas.....                                | 181 |
| Town Center.....                                     | 137 |
| Beach Road.....                                      | 143 |
| Other.....   | 94  |

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

|                                    |     |
|------------------------------------|-----|
| Noise.....                         | 194 |
| Parking.....                       | 171 |
| Strangers in the Neighborhood..... | 161 |
| All of the above.....              | 264 |
| Other.....                         | 179 |

##### Comments:

|   |    |
|---|----|
| - No concern / Positive feedback          | 57 |
| - Long term renter displacement           | 6  |
| - Speculators buying up housing stock     | 6  |
| - Deterioration of neighborhood character | 13 |
| - Drug abuse                              | 6  |
| - Party houses                            | 8  |
| - Litter / insufficient garbage service   | 11 |
| - Overcrowding                            | 7  |
| - Crime                                   | 5  |
| - Property damage                         | 5  |
| - Absentee owners                         | 5  |

#### WOULD YOU ATTEND A FORUM TO DISCUSS STRS?

|          |     |
|----------|-----|
| Yes..... | 74% |
| No.....  | 26% |

#### SHOULD THE CITY CONSIDER ALLOWING HOSTED STAY STRS (WHERE THE PROPERTY OWNER IS LIVING / PRESENT AT THE PROPERTY AND THEY RENT OUT ROOMS OR OTHER UNITS, IF IT IS A DUPLEX, TRIPLEX, ETC.)?

|          |     |
|----------|-----|
| Yes..... | 72% |
| No.....  | 28% |

#### WHAT WOULD BE AN ACCEPTABLE MINIMUM STAY FOR A STR (HOSTED OR NON-HOSTED)? SELECT ALL ANSWERS THAT WOULD BE ACCEPTABLE:

|                         |     |
|-------------------------|-----|
| - One Day               | 92  |
| - Two Days              | 108 |
| - Three Days            | 119 |
| - Four / Five Days      | 105 |
| - Six / Seven Days      | 144 |
| - Not less than 30 days | 171 |

#### HAVE YOU EVER SUBMITTED A COMPLAINT TO THE CITY ON ISSUES WITH STRS?

|          |     |
|----------|-----|
| Yes..... | 8%  |
| No.....  | 92% |

#### WERE YOU AWARE THE CITY HAS A 24 HOUR COMPLAINT LINE FOR STRS?

|          |     |
|----------|-----|
| Yes..... | 24% |
| No.....  | 76% |

#### SHOULD THERE BE A CAP FOR THE NUMBER OF STR PERMITS ISSUED BY THE CITY IN A SPECIFIC AREA?

|                 |     |
|-----------------|-----|
| Yes.....        | 51% |
| No.....         | 31% |
| Don't Know..... | 18% |

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

**SUPPORTING DOCUMENT 8: CCC Letter to City on STRs, December 6, 2016**

STATE OF CALIFORNIA – NATURAL RESOURCES AGENCY

EDMUND G. BROWN, JR., GOVERNOR

**CALIFORNIA COASTAL COMMISSION**

45 FREMONT, SUITE 2000  
SAN FRANCISCO, CA 94105-2219  
VOICE (415) 904-5200  
FAX (415) 904-5400  
TDD (415) 597-5885



December 6, 2016

TO: Coastal Planning/Community Development Directors

SUBJECT: Short-Term/Vacation Rentals in the California Coastal Zone

Dear Planning/Community Development Director:

Your community and others state and nationwide are grappling with the use of private residential areas for short-term overnight accommodations. This practice, commonly referred to as vacation rentals (or short-term rentals), has recently elicited significant controversy over the proper use of private residential stock within residential areas. Although vacation rentals have historically been part of our beach communities for many decades, the more recent introduction of online booking sites has resulted in a surge of vacation rental activity, and has led to an increased focus on how best to regulate these rentals.

The Commission has heard a variety of viewpoints on this topic. Some argue that private residences should remain solely for the exclusive use of those who reside there in order to foster neighborhood stability and residential character, as well as to ensure adequate housing stock in the community. Others argue that vacation rentals should be encouraged because they often provide more affordable options for families and other coastal visitors of a wide range of economic backgrounds to enjoy the California coastline. In addition, vacation rentals allow property owners an avenue to use their residence as a source of supplemental income. There are no easy answers to the vexing issues and questions of how best to regulate short-term/vacation rentals. The purpose of this letter is to provide guidance and direction on the appropriate regulatory approach to vacation rentals in your coastal zone areas moving forward.

First, please note that vacation rental regulation in the coastal zone must occur within the context of your local coastal program (LCP) and/or be authorized pursuant to a coastal development permit (CDP). The regulation of short-term/vacation rentals represents a change in the intensity of use and of access to the shoreline, and thus constitutes development to which the Coastal Act and LCPs must apply. We do not believe that regulation outside of that LCP/CDP context (e.g., outright vacation rental bans through other local processes) is legally enforceable in the coastal zone, and we strongly encourage your community to pursue vacation rental regulation through your LCP.

The Commission has experience in this arena, and has helped several communities develop successful LCP vacation rental rules and programs (e.g., certified programs in San Luis Obispo and Santa Cruz Counties going back over a decade; see a summary of such LCP ordinances on our website at:

[https://documents.coastal.ca.gov/assets/1a/Sample\\_of\\_Commission\\_Actions\\_on\\_Short\\_Term\\_Rentals](https://documents.coastal.ca.gov/assets/1a/Sample_of_Commission_Actions_on_Short_Term_Rentals)

[.pdf](#)). We suggest that you pay particular attention to the extent to which any such regulations are susceptible to monitoring and enforcement since these programs present some challenges in those regards. I encourage you to contact your [local district Coastal Commission office](#) for help in such efforts.

Second, the Commission has not historically supported blanket vacation rental bans under the Coastal Act, and has found such programs in the past not to be consistent with the Coastal Act. In such cases the Commission has found that vacation rental prohibitions unduly limit public recreational access opportunities inconsistent with the Coastal Act. However, in situations where a community already provides an ample supply of vacation rentals and where further proliferation of vacation rentals would impair community character or other coastal resources, restrictions may be appropriate. In any case, we strongly support developing reasonable and balanced regulations that can be tailored to address the specific issues within your community to allow for vacation rentals, while providing appropriate regulation to ensure consistency with applicable laws. We believe that appropriate rules and regulations can address issues and avoid potential problems, and that the end result can be an appropriate balancing of various viewpoints and interests. For example, the Commission has historically supported vacation rental regulations that provide for all of the following:

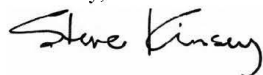
- Limits on the total number of vacation rentals allowed within certain areas (e.g., by neighborhood, by communitywide ratio, etc.).
- Limits on the types of housing that can be used as a vacation rental (e.g., disallowing vacation rentals in affordable housing contexts, etc.).
- Limits on maximum vacation rental occupancies.
- Limits on the amount of time a residential unit can be used as a vacation rental during a given time period.
- Requirements for 24-hour management and/or response, whether onsite or within a certain distance of the vacation rental.
- Requirements regarding onsite parking, garbage, and noise.
- Signage requirements, including posting 24-hour contact information, posting requirements and restrictions within units, and incorporating operational requirements and violation consequences (e.g., forfeit of deposits, etc.) in rental agreements.
- Payment of transient occupancy tax (TOT).
- Enforcement protocols, including requirements for responding to complaints and enforcing against violations of vacation rental requirements, including providing for revocation of vacation rental permits in certain circumstances.

These and/or other provisions may be applicable in your community. We believe that vacation rentals provide an important source of visitor accommodations in the coastal zone, especially for larger families and groups and for people of a wide range of economic backgrounds. At the same time we also recognize and understand legitimate community concerns associated with the potential adverse impacts associated with vacation rentals, including with respect to community character and noise

and traffic impacts. We also recognize concerns regarding the impact of vacation rentals on local housing stock and affordability. Thus, in our view it is not an ‘all or none’ proposition. Rather, the Commission’s obligation is to work with local governments to accommodate vacation rentals in a way that respects local context. Through application of reasonable enforceable LCP regulations on such rentals, Coastal Act provisions requiring that public recreational access opportunities be maximized can be achieved while also addressing potential concerns and issues.

We look forward to working with you and your community to regulate vacation rentals through your LCP in a balanced way that allows for them in a manner that is compatible with community character, including to avoid oversaturation of vacation rentals in any one neighborhood or locale, and that provides these important overnight options for visitors to our coastal areas. These types of LCP programs have proven successful in other communities, and we would suggest that their approach can serve as a model and starting place for your community moving forward. Please contact your [local district Coastal Commission office](#) for help in such efforts.

Sincerely,



STEVE KINSEY, Chair  
California Coastal Commission