



CALIFORNIA COASTAL COMMISSION LOCAL COASTAL PLAN AMENDMENT APPLICATION

TO: California Coastal Commission

FROM: Jeffery Lambert, Community Development Director

DATE: January 30, 2019

SUBJECT: Short Term Rental Units (STRs) in the Coastal Zone, Local Coastal Plan Amendment, Implementation Plan, Zone Text Amendment

Over the last decade the success of online platforms has made it easier and more convenient for private residences to advertise the availability of their homes for what is commonly referred to as “short-term rentals” (STR)¹, and are also referred to as short-term vacation rentals² and homeshare STRs³. As a result, the City of Oxnard, like many other cities along the coast, have seen an increase in the use of private residences for STR purposes, which tends to be an unregulated and unpermitted market in many cities. As the number of unregulated and unpermitted STRs increased, so too did the number of issues and complaints. Media coverage of bad STR operators and tenants increased residents’ fears and actual experiences that their neighborhoods would be negatively impacted and their quality of life and property values would decline; however, STRs also allow opportunities for additional low-cost accommodations which are available to visitors wishing to enjoy our city and beaches. The City of Oxnard desires to accommodate STRs and has approached regulations to address legitimate community concerns while making room for this form of lower cost visitor serving accommodations in our community. Like many other cities across the globe, the residents’ concerns were addressed through regulations that have been adopted by the City Council after years of deliberation and debate. The effect of the ordinance is to strike a balance between these competing factors. To be enacted, the City Council adopted an ordinance for the City of Oxnard’s Coastal Zone which must be approved by the California Coastal Commission. The history and efforts that have been put into the adoption of this ordinance are presented in this application for your review.

¹ Short-term rentals are defined by the proposed ordinance as “The rental of a residential unit for a period of less than thirty (30) consecutive calendar days.”

² Vacation Rental as defined by the proposed ordinance is, “A dwelling, any portion of which is rented for a period of less than thirty (30) consecutive days when the owner is not physically present, with no meals or food provided to the renter or renters.”

³ Homeshare as defined by the proposed ordinance is, “A dwelling which is the primary residence of an owner who possesses at least a twenty percent ownership interest in the subject parcel, with any portion of the dwelling rented for a period of less than thirty (30) consecutive days when said owner is physically present in the same dwelling, with no meals or food provided to the renter or renters.”

1) Objective

The Zone Text Amendment is proposed as a means to enhance and protect the resources identified and protected in the original certified Coastal Land Use Plan. The Zone Text Amendment creates regulations to manage activity that is currently unregulated but being undertaken in the Coastal Zone, i.e. STRs. Consideration was given in the regulations to ensure that the regulations focus on managing issues created by STRs while maintaining access to the Coastal Zone thereby enhancing the certified Coastal Land Use Plan.

2) Overview of Oxnard's Coastal Zone

The City of Oxnard's Coastal Zone boundaries as they exist today have been in effect since January 1, 1980 and have been divided into four areas: McGrath-Mandalay, Oxnard Shores, Channel Islands, and Ormond Beach. Recreational uses are predominant in the McGrath-Mandalay area and include the McGrath State Campground. Urban residential uses are concentrated in the Oxnard Shores and Channel Islands areas. The Ormond Beach area is separated from the rest of the City's Coastal Zone by the City of Port Hueneme, the Port of Hueneme and Port Hueneme Naval Base and is predominantly an industrial area, but it also contains the Ormond Beach Wetlands and agricultural uses..

The Coastal Zone also has four General Plan designated neighborhoods; Oxnard Dunes, Oxnard Shores, Channel Islands and Hollywood by the Sea (see Attachment 1.1). The boundaries of these neighborhoods are contained within the Oxnard Shores and Channel Islands areas.

The Oxnard Dunes neighborhood is comprised of vacant land zoned for residential uses and an existing community of 270 residential units comprised mostly of single family and duplex style homes. Two developments have obtained Planning entitlement in this neighborhood, the North Shore development with 292 new residential units and the Anacapa project with 50 new residential units. A third development is proposed in this neighborhood, the Avalon Homes subdivision with 64 single-family homes. This neighborhood is not directly adjacent to the beach so does not have direct access to the beach. The remainder of vacant land in this neighborhood consists primarily of individual lots available for residential in-fill development.

The Oxnard Shores neighborhood is an established residential neighborhood with a varied mix of housing types that includes mobile homes, apartments, condominiums, timeshare properties, single-family residences, a gated community of 440 units (The Colony at Mandalay Beach), and Embassy Suites, a 277 bed hotel. The total number of private residential units is 2,330 based on data collected for the 2020 census. The only vacant, unprotected land left in the neighborhood is comprised of individual lots zone for residential in-fill. The neighborhood was part of a 1988 Settlement Agreement between the State of California, through the State Lands Commission, the California Coastal Commission and the California Attorney General; the City of Oxnard; and the owners of land within the neighborhood. The settlement agreement resolved the location of the boundary between State-owned tide and submerged lands subject to a public

trust for commerce, navigation and fisheries, and the privately-held uplands. Additionally, the settlement agreement created access easements to the public trust land. This neighborhood is also home to Oxnard Beach Park, a 25 acre park that provides public parking, playgrounds and picnic areas and is directly adjacent to protected dunes and the beach.

The Channel Islands neighborhood is a planned development community designed around waterways that were constructed as extensions to the Channel Islands Harbor. The community contains a variety of residential and visitor-serving developments. The community has a total of 1,832 residential units, mostly privately owned single-family residences. There is a gated, condominium community of 132 units (Harbour Island), as well as a gated single-family community of 168 homes (Seabridge). The only large piece of undeveloped, unprotected land is a 9.3 acre site along Wooley Road which would allow additional residential, visitor-serving commercial and mixed-use developments. The remainder of vacant land is comprised of individual lots zoned for residential in-fill. There is also a resource protection zone of 54 acres that consists of native beach dunes. This neighborhood does not have direct access to the beach but does have direct public access to the waterways that support coastal recreational activities.

The Hollywood by the Sea neighborhood has developed around the Channel Islands Harbor. The neighborhood is comprised mostly of medium density housing and visitor-serving commercial uses. There are 900 private residential units in the neighborhood with 485 of them consisting of apartments and the remainder consisting of condominiums. There is no vacant land within this neighborhood. Two sites, one at the end of Peninsula Road and another at the southwest corner of West Channel Islands Blvd and South Victoria Avenue (Fisherman's Wharf) are underutilized. The peninsula property has a shuttered hotel, but there is an approved entitlement that would demolish the existing hotel and build a new, 215 room hotel. The Fisherman's Wharf property has a proposal for new high density residential/mixed-use. There is also an existing Hampton Inn hotel with 95 rooms on the peninsula. The streets within this neighborhood, parking lots, and other public amenities provide direct access to the beach and waterways of the harbor.

Attachments -

1.1 Residential housing units

3) **Procedural Requirements (Staff Outreach Efforts and City Meetings):**

Over the last decade, the rise of online services such as Airbnb, Inc. and VRBO have led to an increased number of short-term rentals (STR) operating unregulated and unpermitted within the City of Oxnard. At the direction of City Council in order to address community interest in STRs and mitigate the impacts, City staff began to engage the Community as a prelude to drafting a STR ordinance. The following summarizes the City's outreach efforts.

- a) **Online Survey:** The City hosted an online survey between March 21 and April 6, 2016 to solicit public opinion on STRs. The survey was completed by 840 people, 750 of whom either reside or own property within City limits. Although opinions expressed in

the survey varied, there was consensus that STRs have the potential to negatively impact the community and should be regulated (see Attachment 2.1).

- b) August 16, 2016 Community Meeting:** On August 16, 2016, a community meeting was held to review the results of the online survey, provide an overview of STRs, best practices to regulate STRs, and discuss proposed standards for STRs; 157 people attended this meeting. Of the attendees, 86% of the participants represented coastal neighborhoods. Following Staff's presentation, the public was asked to participate in an exercise to provide additional feedback on STR regulations (see Attachment 2.2).
- c) November 3, 2016 Planning Commission Public Hearing:** On November 3, 2016, the Planning Commission conducted a public hearing to receive public input on a specific series of STR performance standards. Staff provided a series of questions and comments intended to solicit input on best practices. The report identified staff recommended best practices for which there was consensus and best practices which needed further dialogue. The community and Planning Commission discussed various concerns regarding the STR issue, but no clear policy direction was communicated.
- d) June 1, 2017 Planning Commission Public Hearing:** This public hearing was conducted so that staff could receive specific feedback on questions raised at the November 2016 public hearing.
- e) February 26, 2019 City Council Housing & Economic Development Committee:** This public hearing was held to discuss policy questions and provided the following comments: 1. consider allowing STRs only in designated geographic areas as was done in Carpinteria; 2. consider the California Coastal Commission's position on STRs; and 3. direct staff to prepare recommendations based on best practices to be presented to City Council.
- f) March 25, 2019 Special Meeting of the City Council:** This special meeting of the City Council was held so the Council could receive public input and provide direction to staff. Council indicated three key areas for the staff to report back on when drafting an STR ordinance (enforcement, limiting the number of STRs, and how to address and permit existing STRs).
- g) July 9, 2019 City Council Housing & Economic Development Committee:** At this public hearing the committee was given a report on the draft STR ordinance and provided input on the content of the ordinance. The Housing & Economic Development Committee (HEDC) recommended a 5% cap on vacation short-term rentals per neighborhood, requiring a minimum stay of three nights, and allowing a maximum of 180 rental days per year.
- h) August 1, 2019 Planning Commission:** The Planning Commission reviewed the proposed ordinances and recommended approval with modifications. The Planning Commission wanted an analysis of a separation requirement of 300 feet and 500 feet.

They also recommended a 5% cap in the R-BF zone, a 100-day per year annual rental cap, and escalating fines. Due to the requirements for additional analysis and the extent of the other modifications it was recommended that the change be taken back to HEDC.

- i) **September 24, 2019 City Council Housing & Economic Development Committee:** At this public hearing the HEDC recommended that staff provide an analysis of a 100-foot and 200-foot separation requirement, that the 5% cap be added to the R-BF zone, they split on the annual rental cap per year and supported escalating fines. Additionally, it was recommended that The Colony at Mandalay Beach, a private gated community with existing prohibitions in their CC&Rs against rentals of less than 30 days, be added to the ineligible residential units.
- j) **November 5, 2019 City Council 1st Reading:** The City Council asked that the ordinance include 1) a 200-foot separation requirement; 2) include Harbour Island, a private gated community with existing prohibitions in their CC&Rs against rentals of less than 30 days, on the list of ineligible residential units; and 3) that timeshares, when operating as timeshares be added to the ineligible residential units and be excluded from the separation requirement when operating as an STR. Because of the directed changes the ordinance needed to go back to City Council for a new first reading.
- k) **December 3, 2019 City Council 1st Reading:** The City Council reviewed and unanimously adopted the ordinance.
- l) **December 17, 2019 City Council 2nd Reading:** The City Council unanimously approved the ordinance at the second reading.
- m) **General Community Input:** In addition to the online survey and the community meeting, Staff has established a dedicated email address (info.str@oxnard.org) (see Attachment 2.3) and webpage (<https://www.oxnard.org/short-term-rentals-str/>). To date, Staff has received hundreds thousands of correspondence and phone calls regarding STRs. The residents have suggested regulations, logged complaints of existing STRs, provided data and pictures, and expressed how the community is both negatively and positively affected by STRs in Oxnard. At community meetings we have heard from residents about how their quality of life has declined as STRs have increased, we have heard from STR operators about how they will lose their planned retirement home if not allowed to operate as an STR, and we have heard from business about how STRs have become part of their livelihood.

Attachments -

- 2.1 - Survey Results
- 2.2 - Summary of Comments
- 2.3 - Mailing list of interested parties
- 2.4 - Hearing notices for workshops
- 2.5 - Certified newspaper notices

4) Consistency Evaluations

As noted in the Findings of the adopted STR Ordinance, the City's Zone Text Amendment shall be amended concurrently with the Zone Text Amendment to the Implementation Plan, Zone Text Amendment to maintain consistency pursuant to the Coastal Act.

The proposed Zone Text Amendment has been processed in accordance with the procedures required by Oxnard City Coastal Zoning Code Section 17-58 (Hearings and Appeals), which include providing notice given at least 12 days prior to the hearing date in a newspaper of general circulation. Additionally, as discussed in the "Staff Outreach Efforts and City Meetings" section, the City has been performing public outreach and soliciting comments from the various stakeholders since March of 2016. Eleven public meetings have been held on this Zone Text Amendment all of which have been noticed via advertisements in local newspapers, email, and a dedicated STR website.

As a result of the rise in the number of unregulated short-term rentals the residents and City have experienced an increase in issues directly related to the use of residential properties as STRs. The issues include (but are not limited to) noise, trash, and parking problems. The proposed Zone Text Amendment addresses these issues and other anticipated issues through the proposed standards and enforcement regulations that address the established need for the amendment.

The adoption of the Zone Text Amendment is a reasonable exercise of the City's police powers to ensure the continued health, safety, and welfare of the public by clarifying the implementation procedures for STRs within the Coastal Zone.

The City of Oxnard has a long history of STRS at the beach. Prior to the adoption of the ordinance, this use has not been regulated. The effect of the ordinance will be to preserve and enhance Oxnard's beaches, beach access, and protection of our natural resources. Additionally, the ordinance will ensure that there are opportunities for low-cost accommodations available to visitors wishing to enjoy our beaches. The STRs occur in existing, established residential areas. There are an estimated 243 STRs (report by Host Compliance) within the City of Oxnard, 95% of which are in the Coastal Zone. These include short-term vacation rentals and homeshare STRs. Within the coastal neighborhoods, no neighborhood currently has more than 3% of available residential units available as STRs. Some areas within the neighborhoods do have concentrated clusters of STRs like the R-BF zone in the Oxnard Shores neighborhood. This zone, that includes 93 residential units, has a concentration of 17% STRs (see Attachment 3.1).

The regulations will make STRs a permitted use in the Coastal Zone, once the required permit is obtained, and manage the issues that arise as a result of STRs. The proposed ordinance sets limits on the number of short-term vacation rentals but does not limit the number of homeshare short-term rentals. Vacation short-term rentals are limited to 5% of eligible units in the R-BF zone and to 5% of eligible units in each General Plan neighborhood. Eligible units exclude mobile homes (they often have rental rate restrictions), affordable deed-restricted units,

timeshare units being used as timeshares, apartment complexes (limited to one STR for the complex), and two private communities (The Colony at Mandalay Beach and Harbour Island). Within the R-BF zone there will be a decrease in the number of vacation short-term rental units, but the surrounding neighborhood, and other coastal neighborhoods, could see an increase in the number of short-term rentals currently available in the Coastal Zone. This creates the opportunity for additional, quality overnight accommodations within the Coastal Zone.

The proposed ordinance also requires that vacation short-term rentals be separated from each other horizontally by 200' from the property line to property line. An analysis by Staff of the neighborhoods has determined that a 200-foot separation can be achieved and will still allow up-to and in some cases more than 5% in the coastal neighborhoods. Again, these caps and separation requirements are applicable only to vacation short-term rentals and homeshare short-term rentals are not limited. The methodology for the analysis is included among the attachments (see Attachment 3.2).

Additional limitations on vacation short-term rentals include a maximum of 100-days per year as a STR and a minimum stay of three nights. These limits will allow vacationers to the Oxnard coast to enjoy Oxnard's beaches throughout the summer and also accommodate many long weekend holidays. These limits will also help preserve the residential character of Oxnard's coastal neighborhoods and provide a respite to the permanent residents from the revolving door of new tenants and the corollary impacts that are associated, documented, and experienced in Oxnard.

Additional regulations are included in the Zone Text Amendment to address these negative impacts which include trash, parking, access, and noise. Tenants of STRs are often unfamiliar with local ordinances related to these issues. Additionally, they are not acquainted with areas within the Coastal Zone that have been determined to be resource protection areas. The Oxnard Shores neighborhood has two dune protection areas that must be protected, Channel Islands and the Dunes neighborhood also have protected dunes. These additional regulations include requirements that serve to notify STR tenants of the local ordinances and other resource protection requirements in Oxnard's coastal areas.

The Coastal Zone has two quality hotels (Embassy Suites & Hampton Inn) with 345 rooms and a third in the works (Hyatt House) with 215 rooms. Within Oxnard City limits and within 9 miles of the beach are an additional 981 quality hotel rooms. These hotels offer 381 rooms with kitchen facilities. Three additional hotels are in the works in Oxnard; a Tru by Hilton with 88 rooms, Townhill Suites by Marriot with 120 rooms, and Springhill Suites by Marriott with an additional 120 rooms. To summarize, Oxnard has 1,326 quality rooms currently available and another 543 rooms in the development pipeline (see Attachment 3.3).

Besides the hotels, Oxnard also has over 32 timeshare units at the beach. McGrath State Beach Campground, 400 yards from the beach is in Oxnard and has 173 campsites that can accommodate recreational vehicles up to 34 feet in length. Evergreen RV park is also located in Oxnard 4.8 miles from the beach and has 94 full hook-up spaces that can accommodate

recreational vehicles up to 42-feet. With the adoption of this Zone Text Amendment, the City will legalize and authorize the creation of hundreds of additional vacation STRs in the Coastal Zone that are regulated, inspected and ensure that the coastal access, visitor serving commercial uses, and protections remain in place. Finally, the ordinance also authorizes the creation of an unlimited number of homeshare STRs in the Coastal Zone to round out a diverse and inclusive choice of accommodations for visitors wishing to partake in the enjoyment of Oxnard's beautiful beaches.

The Zone Text Amendment is consistent with the goals, policies, and actions of the City of Oxnard 2030 General Plan and will not conflict with the 2030 General Plan or the intent of the Local Coastal Plan.

The Zone Text Amendment reflects the input of residents, stakeholders, and public officials, and implements the 2030 General Plan vision and desire for the community, is adopted in the public interest, and is consistent with federal and state law.

Ultimately, approval of the proposed update to the Local Coastal Plan, Implementation Plan will maintain, protect and enhance the quality of Oxnard's Coastal Zone. The proposed Zone Text Amendment does not alter the uses or conservation of the Coastal Zone resources, impede public access to and along the coastal zone, or interfere with the priorities established for coastal-dependent or coastal-related development.

Attachments -

- 3.1 – STRs in Oxnard
- 3.2 - Analysis and methodology
- 3.3 - Quality Hotel Accommodations in the City of Oxnard

5) Substantive Amendment Materials

The adopted ordinance and Zone Text Amendment to the Local Coastal Plan, Implementation Plan is exempt from CEQA pursuant to CEQA Guidelines Section 15061(b)(3). This section provides that CEQA only applies to those projects that have the potential for causing a significant effect on the environment. Regardless of the fact that STRs were not allowed under the existing Coastal Zoning ordinance, Oxnard has a long history of STRs in the form of vacation rentals and home-sharing. Per *Riverwatch v. County of San Diego* (1999) 76 Cal.App.4th 1428 (actual environmental conditions existing at the time of CEQA analysis should be used as a baseline, even when such actual conditions are in violation of current regulatory provisions). The adopted ordinance creates regulations and enforcement tools to mitigate the presence of a use that has always been a part of Oxnard's history and does not intensify or attempt to increase said use. Therefore, there is no possibility of the adopted ordinance creating an environmental impact and may in fact mitigate existing environmental impacts created by STRs by over parking and improper handling of solid waste.

Attachments -

- 4.1 - Mark-up of the LCP

4.2 - Maps

4.3 - Signed ordinances

4.4 - Staff reports and presentation materials prepared for all local hearings, workshops, and other meetings

4.5 - Technical studies

6) Conclusion

The STR issue continues to be a significant public policy and planning issue. The City has exhaustively researched and analyzed the issues, engaged the residents of Oxnard and debated the pros and cons of the possible solutions. Ultimately, the City believes that a balance has been struck that is fair and equitable to the residents, the homeowners, the STR operators and the City. The City has invested as necessary to develop the right ordinance for the City of Oxnard.