



## VACATION RENTAL GUIDELINES FOR LOS OSOS

### LOCAC Land Use Committee

June 24, 2018

**Final Version- Approved at the 6/28/18 LOCAC meeting**

#### I. INTRODUCTION

The following guidelines have been developed after months of public outreach and input and extensive discussion over several meetings of the Los Osos Community Advisory Council and the Land Use Committee. The proposed guidelines have been developed for the following reasons:

**To submit to the County for incorporation into the Los Osos Community Plan.** The Los Osos Community Plan, currently in the process of being updated, has no specific language or policies concerning vacation rentals in the community of Los Osos. There is an opportunity now to include such language in the document, specific to Los Osos, that would align with the broader vision and goals of our community.

**To address community concerns related to vacation rentals in Los Osos.** Through attendance at LOCAC meetings, LUC meetings, special meetings on the topic of vacation rentals, and through correspondence, significant numbers of Los Osos residents have expressed their strong and increasing concern about the negative impacts vacation rentals have on our community.

**To form the basis of LOCAC's review of vacation rental permit applications.** The vacation rental guidelines that LOCAC submits to the County will provide the basis for the Land Use Committee's recommendation for support or denial of a vacation rental permit application. County Planning *may* make the determination (to be determined once submitted) to recognize the new standards as the voice of the community on the subject of vacation rentals in Los Osos, and reference those standards when they make a decision on any new vacation rental permit applications for Los Osos.

#### II. COMMUNITY CONCERNS

A summary of the primary concerns voiced by the community regarding vacation rentals are the following:

- **Maintaining Community Character**

Los Osos is primarily a bedroom community composed of quiet residential neighborhoods and community members would like to preserve that residential character. Vacation rentals are lodging businesses located in residential areas and their proliferation would threaten the fabric of the community that derives from a stable resident population. As one resident wrote 'the mere parade of a succession of strangers in a neighborhood is destabilizing and degrades the settled, neighborly quality of life which has attracted so many to Los Osos and which so many of us value highly.'

- **Preserving the available housing stock for long-term rentals and permanent residents**

California has an affordable housing crisis and, as recently reported in the Tribune, rents in SLO County are rising faster than anywhere else in California. The conversion of housing stock to vacation rentals only exacerbates this problem by removing units from the long-term rental market. This is especially problematic in Los Osos, where the available housing stock is not

growing due to building moratoriums based on water resource constraints. The lower the housing supply, the higher the cost, and the dream of home ownership or affordable rents eludes ever more people who hope to set down roots here. One resident wrote: 'I haven't a prayer of ever being a real part of the community through becoming a homeowner, and the rental prices here are becoming so high that I'm planning to move back to the Northwest as soon as I finish my teaching contract at Cal Poly...'

- **Neighborhood Impacts**

Vacation rentals bring a host of potential nuisance issues into residential neighborhoods, including noise, traffic, parking, trash as well as safety concerns. The greater the number of vacation rentals in a neighborhood, the greater the impacts on the neighborhood. One resident wrote of this, stating that 'businesses run without active oversight of how the tenants are selected and behave are causing disruptive noise, human and vehicle traffic impacts, landscape degradation, high water use, trash, and all within a revolving cycle that can tear a neighborhood apart.'

- **Enforcement Issues**

While the regulations in the current County vacation rental ordinance are attached as conditions of approval to any vacation rental permit in Los Osos, the enforcement of those regulations rarely occurs due to insufficient staffing and lack of County resources directed toward vacation rental enforcement. Both code enforcement and the sheriff are typically unable to respond in a timely manner to serious noise, curfew, parking, or other infractions. A resident wrote: 'Enforcement of parking, noise, etc., issues is difficult in an area such as ours where budgets are tight and the area needing coverage is wide.'

- **Vacation Rental Benefits**

While many have expressed their concerns with the various problems associated with vacation rentals, it is also important to note that some community members have also expressed their support of vacation rentals and feel they provide some definite benefits to the community. Comments have included:

- a. There are many second home owners who stay in Los Osos frequently and renting out their property as a vacation rental when they are not here provides income that helps offset costs for mortgage, taxes, insurance and maintenance of their home. There are many well maintained second homes in Los Osos.
- b. Tourists are good for local businesses and good for the area by potentially encouraging more families to move here.
- c. Vacation rentals can provide local jobs for the people who manage them, clean them, maintain the landscape, etc.
- d. They provide important visitor-serving options for families who wish to visit the coast, and the Coastal Commission does not support their outright ban for this reason.

### **III. PROPOSED GUIDELINES**

The intent of the following measures is to ensure that vacation rental activity respects community and neighborhood character, preserves housing stock and mitigates negative impacts, while recognizing that there is a role for vacation rentals in our community. While many in the community would prefer an outright ban on vacation rentals, that is not an option we can realistically consider. The California Coastal Commission believes vacation rentals provide a valuable source of visitor accommodations in the coastal zone, especially for larger families and groups, and for people of a wide range of economic backgrounds. However, they also

recognize legitimate community concerns associated with the potential adverse impacts associated with vacation rentals and support their regulation.

(Note: VR= vacation rental= the use of a residential structure as a rental for transient use for periods of under 30 days)

#### 1. DENSITY CONTROL

**There shall be a minimum of 9 lots between VR properties, including the other side of the street and to the rear of the proposed VR, or a minimum of a 500' radius between properties, whichever is greater.**

**Purpose:** Limiting the density of VR's will reduce impacts on the neighborhood fabric and residential character and reduce nuisance impacts.

#### 2. CAP ON TOTAL NUMBER ALLOWED

**Maximum of 1 VR per 100 single-family residences per neighborhood**

**Purpose:** Limiting the total number of VR's allowed would ensure they are kept at a level so as to not impact the residential character of the town, and also reduce impacts on housing stock availability. Basing the measure on neighborhoods ensures that impacts are dispersed around the town and also provide diversified lodging options for tourists.

#### 3. OWNERSHIP REQUIREMENTS

**Limit of 1 VR per Owner**

(Owner may not be a corporation or partnership)

**Purpose:** Reduces negative impacts from outside investors whose only interest is financial; allows residents who have personal investment in the community to supplement income; allows 2<sup>nd</sup> home owners to rent out their home when they are not using it themselves.

#### 4. ZONING REQUIREMENTS

**VR's not allowed in Multi-Family Dwellings or Mobile Home Parks**

**Purpose:** Protects long-term rental availability, especially for lower-income residents.

#### 5. PERMITTING REQUIREMENTS

##### a. Sunset Clause

**VR permits shall expire automatically with the sale of a property.**

**Purpose:** Prevents a vacation rental permit from running with the land and becoming a commodity. Allows expired permit to be utilized by someone who may be on a wait list for a permit, due to a cap on total numbers.

##### b. Neighbor Notification

**Neighbors shall be notified when permit application is first made. Notification range shall be a minimum of 9 lots on either side of the proposed VR property, including the other side of the street and to the rear of the proposed VR, or a minimum of a 500' radius, whichever is least.**

**Applicants shall use the County standard Notification Letter template and provide copies of the letters sent to property owners.**

**Purpose:** Alerts neighbors about a proposed VR and allows them to provide input early in the permitting process.

**c. Code enforcement Inspections**

**Upon submitting an application for a VR permit, County code enforcement shall inspect the premises to ensure compliance with permit conditions as well as health and fire life safety code requirements.**

**Purpose:** To ensure compliance with VR standards and protect the health safety and welfare of the renter of the unit and the surrounding neighborhood.

**d. VR Administrative Fees**

**An additional fee, to be determined as appropriate by the County, shall be paid to the County by VR owners to help fund the needed staff and tools for proper enforcement of vacation rental regulations and website/database maintenance.**

**Purpose:** To help fund the necessary improvements needed in terms of County staffing and tools for the proper enforcement of vacation rental regulations and website/database maintenance.

**e. Minor Use Permit**

**A minor use permit will continue to be required for proposed VR's in Los Osos.**

**Purpose:** To continue to allow for community review of proposed VR properties and allow residents to provide input on any unique characteristics or circumstances concerning safety, environmental issues or other neighbor/neighborhood concerns.