



**COUNTY OF SAN LUIS OBISPO
DEPARTMENT OF PLANNING AND BUILDING
STAFF REPORT**

Tentative Notice of Action

Promoting the wise use of land
Helping build great communities

MEETING DATE April 8, 2016 LOCAL EFFECTIVE DATE April 22, 2016 APPROX. FINAL EFFECTIVE DATE May 13, 2016	CONTACT/PHONE Airlin M. Singewald, Senior Planner (805) 781-5198 asingewald@co.slo.ca.us	APPLICANT 1736PAC, LLC.	FILE NO. DRC2015-00073
SUBJECT <p>A request by 1736PAC, LLC. for a Minor Use Permit / Coastal Development Permit (DRC2015-00073) to allow an existing 2,478 square-foot, 4-bedroom single family residence to be used as a residential vacation rental. The Minor Use Permit is requesting to modify the location standard for vacation rentals per Coastal Zone Land Use Ordinance Section 23.08.165(C)(2). The requested waiver would allow the proposed vacation rental to be located within 40 feet of an existing vacation rental, which is closer than the distance requirement allows for. The proposed project will result in no site disturbance on a 5,432 square-foot parcel. The proposed project is within the Residential Single Family land use category and is located at 1736 Pacific Avenue, approximately 75 feet north of the 18th Street and Pacific Avenue intersection, within the community of Cayucos. The site is in the Estero planning area.</p>			
RECOMMENDED ACTION <p>Deny Minor Use Permit / Coastal Development Permit DRC2015-00073 based on the findings listed in Exhibit A.</p>			
ENVIRONMENTAL DETERMINATION <p>This project is found to be statutorily exempt from the California Environmental Quality Act under the provisions of Public Resources Code section 21080(b)(5), which provides that CEQA does not apply to projects which a public agency rejects or disapproves.</p>			
LAND USE CATEGORY: Residential Single Family	COMBINING DESIGNATION Archeologically Sensitive Area, Coastal Appealable Zone, Flood Hazard, Geologic Study Area, Local Coastal Plan, Small Scale Neighborhood	ASSESSOR PARCEL NUMBER 064-236-007	SUPERVISOR DISTRICT 2
PLANNING AREA STANDARDS: None applicable <i>Does the project meet applicable Planning Area Standards?: N/A</i>			
LAND USE ORDINANCE STANDARDS: Section 23.08.165 – Residential Vacation Rentals <i>Does the project conform to the Land Use Ordinance Standards?: No – see discussion</i>			
FINAL ACTION <p>This tentative decision will become the final action on the project, unless the tentative decision is changed as a result of information obtained at the administrative hearing or is appealed to the County Board of Supervisors pursuant Section 23.01.042 of the Coastal Zone Land Use Ordinance; effective on the 10th working day after the receipt of the final action by the California Coastal Commission. The tentative decision will be transferred to the Coastal Commission following the required 14-calendar day local appeal period after the administrative hearing.</p> <p>The applicant is encouraged to call the Central Coast District Office of the Coastal Commission in Santa Cruz at (831) 427-4863 to verify the date of final action. The County will not issue any construction permits prior to the end of the Coastal Commission process.</p>			
ADDITIONAL INFORMATION MAY BE OBTAINED BY CONTACTING THE DEPARTMENT OF PLANNING & BUILDING AT: COUNTY GOVERNMENT CENTER γ SAN LUIS OBISPO γ CALIFORNIA 93408 γ (805) 781-5600 γ FAX: (805) 781-1242			

EXISTING USES: Single family residence	
SURROUNDING LAND USE CATEGORIES AND USES: <i>North:</i> Residential Single Family / residences <i>East:</i> Residential Single Family / residences <i>South:</i> Residential Single Family / residences <i>West:</i> Residential Single Family / residences	
OTHER AGENCY / ADVISORY GROUP INVOLVEMENT: The project was referred to: Public Works, Cayucos Sanitary District, Paso Robles Beach Water Association, Cal Fire, Cayucos Citizens Advisory Council, and California Coastal Commission	
TOPOGRAPHY: Nearly level	VEGETATION: Ornamental landscaping
PROPOSED SERVICES: Water supply: Paso Robles Beach Water Association Sewage Disposal: Cayucos Sanitary District Fire Protection: Cal Fire	ACCEPTANCE DATE: January 25, 2016

DISCUSSION

PROPOSED PROJECT

The proposed project is a request to use an existing residence at 1736 Pacific Avenue in Cayucos as a residential vacation rental. The subject parcel is located within 100 feet of two existing vacation rentals, which are located 40 and 80 feet to the north. The applicant is requesting minor use permit approval to modify the ordinance requirement that no residential vacation rental shall be located within: 1) 100 feet of an existing residential vacation rental on the same or opposite side of the street; or 2) within a 50-foot radius around the proposed vacation rental.

LAND USE ORDINANCE STANDARDS

Section 23.08.165 – Residential Vacation Rentals

The proposed project is a request to use an existing residence as a residential vacation rental. Section 23.08.165 allows for residential vacation rentals in Cayucos, Cambria, and Avila Beach subject to a set of rules to ensure compatibility with surrounding residences. These rules include operational standards to address issues such as noise, traffic, and overflow parking, as well as a location standard, which requires a minimum separation distance between vacation rentals. The purpose for the location standard is to avoid concentrations of vacation rentals and associated neighborhood impacts in the same area. The ordinance allows for vacation rentals with zoning clearance (“over the counter”) approval provided that they comply with the location standard and all other ordinance provisions. The location standard can be modified through minor use permit approval.

Location Standard

In Cayucos, no residential vacation rental shall be located within: 1) 100 feet of an existing residential vacation rental on the same or opposite side of the street; or 2) within a 50-foot radius around the proposed vacation rental. The proposed vacation rental does not comply with this standard because it would be located within 100 feet of two existing vacation rentals on the same side of the street. Specifically, it would be located within 40 feet of an existing vacation

rental at 1702 Pacific Avenue and within 80 feet of one at 1698 Pacific Avenue. See figure 1, below.

As shown in Figure 1, the concentration of vacation rentals in this neighborhood already exceeds the limit set by the ordinance, with a number of existing vacation rentals located closer than 100 feet from each other. This is because, when the vacation rental ordinance was adopted in 2003, it exempted existing legally established vacation rentals from the location standard. Community members have expressed concerns that the existing concentration of vacation rentals is already impacting the residential character of Cayucos's neighborhoods, and that any waivers or modifications made to the ordinance would further diminish the quality of life enjoyed by permanent residents living in Cayucos.



Figure 1: Proximity to Existing Vacation Rentals

This minor use permit is a request to modify the location standard, which would allow for the existing residence at 1736 Pacific Avenue in Cayucos to be used as a residential vacation rental.

The purpose of the location standard is to protect residential neighborhoods by limiting the concentration of vacation rentals. This is clear from the purpose statement of the ordinance which states "...vacation rentals have the potential to be incompatible with surrounding residential uses, especially when several are concentrated in the same area..." However, the ordinance does not specify what criteria should be considered in reviewing a minor use permit

to modify the location standard. In the absence of specific criteria, staff evaluated the project based on the standard minor use permit findings in Section 23.02.034, placing particular emphasis on the following findings:

1. The establishment and subsequent operation or conduct of the use will not, because of the circumstances and conditions applied in the particular case, be detrimental to the health, safety or welfare of the general public or persons residing or working in the neighborhood of the use, or be detrimental or injurious to property or improvements in the vicinity of the use; and
2. The proposed project or use will not be inconsistent with the character of the immediate neighborhood or contrary to its orderly development.

Staff has determined that these findings cannot be made because the proposed project would result in a higher concentration of vacation rentals than the ordinance allows for, and because there are no unique circumstances that set the project site apart from any other oceanfront property in Cayucos or that render the minimum separation requirement unnecessary.

The applicant has submitted findings in support of the requested modification (see Attachment 4). Specifically, the applicant points out that the site has adequate on-site parking and access from Pacific Avenue, is adjacent to and oriented towards the beach, which means noise from outdoor activities would have less of an impact on neighbors, and that the surrounding residential neighborhood is not overly dense. The applicant also points out that the house has unique historical and architectural interest since it was designed by a well-known local architect.

While these unique characteristics could help mitigate some noise and land use compatibility impacts on nearby homes, they don't sufficiently set the subject property apart from almost every other oceanfront home on Pacific Avenue. Most homes on Pacific Avenue and other bluff-top parcels in Cayucos and Cambria could claim similar findings in support of a modification to the location standard. Approving this modification request and others like it would cumulatively transform the character of oceanfront neighborhoods from residential areas to visitor-serving commercial areas, undermining the intent of the vacation rental ordinance to limit the density of vacation rentals.

At the February 3, 2016 Cayucos Citizens Advisory Council meeting, Cayucos residents described some of the deleterious effects that vacation rentals have on neighborhoods. Concerns included noise, parking overflow, and regular turnover of visitors who are not familiar with the residential neighborhoods where they are lodging. The advisory council also felt that this property wasn't different than any other oceanfront home on Pacific Avenue and was concerned about setting a precedent of waiving the distance standard for any other oceanfront property in Cayucos.

Residential Vacation Rental Operational Standards

In addition to the location standard, the vacation rental ordinance establishes a number of operational standards that are intended to minimize the impacts of vacation rentals on nearby homes and to ensure that they are operated in a manner that is generally consistent with the expectations for a residential neighborhood. These standards include: 1) a requirement to designate a local property manager with contact information given to neighbors within 200 feet, 2) a limitation on the number of occupants allowed (2 people per bedroom plus another 2 people), 3) on-site parking required, 4) noise limitations, 5) tenancy limited to four times per

month, 6) traffic shall be consistent with the number of trips generated by a typical home, 7) the exterior appearance shall not be modified and no advertising onsite, 8) payment of transient occupancy tax required, and 9) code enforcement and permit revocation procedures for non-compliant vacation rentals.

If the hearing officer decides to approve the proposed project, staff recommends that these standards be added as conditions of approval.

COMMUNITY ADVISORY GROUP COMMENTS:

The proposed project was reviewed by Cayucos Citizens Advisory Council on February 3, 2016. The advisory council voted 8 to 3 to recommend denial of the requested modification. As described above, the advisory council was concerned about the impacts of vacation rentals on residential neighborhoods and the precedent of waiving the location standards for any oceanfront property in Cayucos. The advisory council also stated that the ordinance should be strictly upheld and enforced (without granting modifications) since it is the product of a long process that included extensive public and stakeholder involvement.

AGENCY REVIEW:

Public Works – No comment, per referral response dated July 17, 2015.

Cayucos Sanitary District – No comments received.

Paso Robles Beach Water Association – No comments received.

California Coastal Commission – No comments received.

LEGAL LOT STATUS:

The lot was legally created by a recorded map at a time when that was a legal method of creating lots.

Staff report prepared by Airlin M. Singewald and reviewed by Karen Nall.