



**COUNTY OF SAN LUIS OBISPO  
BOARD OF SUPERVISORS  
AGENDA ITEM TRANSMITTAL**

(1) DEPARTMENT Planning and Building	(2) MEETING DATE 12/15/2020	(3) CONTACT/PHONE Cory Hanh Planner (805) 781-5710	
(4) SUBJECT Hearing to consider an ordinance amending Section 23.08.165 of Title 23 of the San Luis Obispo County Code, the Coastal Zone Land Use Ordinance, to establish residential vacation rentals standards for the community of Los Osos. Exempt from CEQA. District 2.			
(5) RECOMMENDED ACTION It is recommended that the Board adopt the attached ordinance approving amendments to Section 23.08.165 of Title 23 of the San Luis Obispo County Code, the Coastal Zone Land Use Ordinance, to establish residential vacation rentals standards for the community of Los Osos.			
(6) FUNDING SOURCE(S) Department Budget	(7) CURRENT YEAR FINANCIAL IMPACT \$0.00	(8) ANNUAL FINANCIAL IMPACT \$0.00	(9) BUDGETED? Yes
(10) AGENDA PLACEMENT <input type="checkbox"/> Consent <input type="checkbox"/> Presentation <input checked="" type="checkbox"/> Hearing (Time Est. 180 mins.) <input type="checkbox"/> Board Business (Time Est. _____)			
(11) EXECUTED DOCUMENTS <input type="checkbox"/> Resolutions <input type="checkbox"/> Contracts <input checked="" type="checkbox"/> Ordinances <input type="checkbox"/> N/A			
(12) OUTLINE AGREEMENT REQUISITION NUMBER (OAR)  N/A		(13) BUDGET ADJUSTMENT REQUIRED? BAR ID Number: <input type="checkbox"/> 4/5th's Vote Required <input checked="" type="checkbox"/> N/A	
(14) LOCATION MAP  N/A	(15) BUSINESS IMPACT STATEMENT?  No	(16) AGENDA ITEM HISTORY  <input checked="" type="checkbox"/> N/A Date _____	
(17) ADMINISTRATIVE OFFICE REVIEW Lisa M. Howe			
(18) SUPERVISOR DISTRICT(S) District 2			



## COUNTY OF SAN LUIS OBISPO

TO: Board of Supervisors

FROM: Cory Hanh, Planner

VIA: Airlin Singewald, Planning Division Manager

DATE: December 15, 2020

SUBJECT: Hearing to consider an ordinance amending Section 23.08.165 of Title 23 of the San Luis Obispo County Code, the Coastal Zone Land Use Ordinance, to establish residential vacation rentals standards for the community of Los Osos. Exempt from CEQA. District 2.

### **RECOMMENDATION**

It is recommended that the Board adopt the attached ordinance approving amendments to Section 23.08.165 of Title 23 of the San Luis Obispo County Code, the Coastal Zone Land Use Ordinance, to establish residential vacation rentals standards for the community of Los Osos.

### **DISCUSSION**

#### *Background*

On December 11, 2012 Board of Supervisors meeting, staff presented a request to authorize processing of the Los Osos Community Plan ("LOCP"), including amendments to the Estero Area Plan of the County Local Coastal Plan and the Official Maps of the Land Use Element. The Board of Supervisors, through a unanimous motion, authorized the initialization of the LOCP. Through the LOCP process, staff received input from the residents and stakeholders on various policies relevant to the community of Los Osos. One of those policies is the regulation of residential vacation rentals in the community of Los Osos.

Members of the community have advocated for residential vacation rental standards for the community of Los Osos. Throughout the LOCP process, staff received substantial public input regarding the regulation of residential vacation rentals for the community of Los Osos; specifically, the lack of permitting and operating standards. In 2018, the Los Osos Community Advisory Council ("LOCAC") conducted public outreach and submitted the attached memorandum ("LOCAC Memorandum") to request for greater regulation of residential vacation rentals and to recommend guidelines for the development of residential vacation rental standards. These recommendations, along with public input, played a key role in the development of the proposed ordinance.

The proposed ordinance amendments would provide specific standards for the establishment and operation of residential vacation rentals for the community of Los Osos. Since the County Land Use Ordinance provides specific standards for residential vacation rentals for other coastal communities –

communities of Cambria, Cayucos, and Avila Beach – under Section 23.08.165, it would be appropriate to incorporate such standards for the community of Los Osos under Section 23.08.165.

*Planning Commission Action*

On July 9, 2020, the Planning Commission reviewed the Draft Residential Vacation Rentals Ordinance and recommended approval subject to certain revisions. The Planning Commission recommendation included support for the following regulations:

Supported Regulation #1:

Require a 500-foot buffer between new residential vacation rentals and existing residential vacation rentals and other lodging uses.

Supported Regulation #2:

Allow new residential vacation rentals to only be established in single-family dwellings.

Supported Regulation #3:

Require applicants to obtain Minor Use Permits to establish residential vacation rentals.

In addition, the Planning Commission recommendation included the following regulations as options for further consideration by the Board of Supervisors.

Potential Regulation #1:

Limit the number of residential vacation rentals to a maximum of 55 (one percent of the number of existing single-family dwellings within the community).

Potential Regulation #2:

Establish that approvals of new residential vacation rentals be voided upon the transfer of property ownership.

Potential Regulation #3:

Limit residential vacation rental ownership to one per entity.

In summary, the Planning Commission Recommended Draft Ordinance would limit the number of residential vacation rentals in the community of Los Osos. This would primarily be achieved through two key draft regulations: (1) a 500-foot buffer between new residential vacation rentals and existing residential vacation rentals and other lodging uses and (2) a limitation on the number of residential vacation rentals to a maximum of 55. The combination of these two draft regulations would prevent future overconcentration of residential vacation rentals, while protecting the community's housing stock. In addition, although the draft regulation to require a Minor Use Permit is a departure from the existing regulations for the communities of Cambria, Cayucos, and Avila Beach (where only a Zoning Clearance is required), prospective operators of residential vacation rentals in the community of Los Osos are already currently required to obtain a Minor Use Permit.

Both the Planning Commission supported regulations and potential regulations listed above have been included in the Planning Commission Recommended Draft Ordinance (Attachments 2 and 3). If any of the regulations, whether Planning Commission supported or potential, are not approved by the Board, those draft regulations may be individually removed from the ordinance language without altering the draft

regulations that are approved by the Board.

### *Coastal Access*

Due to its coastal location, the community of Los Osos is a potential destination for visitors. As such, the effects on coastal access should be considered in determining the appropriateness of the Draft Residential Vacation Rentals Ordinance. Although adoption of the draft ordinance would limit the number of residential vacation rentals, there are options to establish other types of transient lodging uses, such as homestays, hotels, motels, and campgrounds at Montana De Oro and Morro Bay State Park. In addition, visitors would also have access to transient lodging options in the neighboring City of Morro Bay.

For these reasons, the Draft Residential Vacation Rentals Ordinance would not have substantial effects on coastal access.

### *Environmental Determination*

This project is covered by the general rule that CEQA applies only to projects which have the potential for causing a significant effect on the environment. It can be seen with certainty that there is no possibility that this project may have a significant effect on the environment; therefore, the activity is not subject to CEQA. [Reference: State CEQA Guidelines Section 15061(b)(3), General Rule Exemption]

### **OTHER AGENCY INVOLVEMENT/IMPACT**

An analysis of LOCAC's recommendations was provided in the attached Planning Commission Staff Report (Attachment 7, Table 1 on Pages 4-9).

County counsel has reviewed the ordinance amendments as to form and legal affect.

### **FINANCIAL CONSIDERATIONS**

County initiated ordinances are processed using general fund support within in the current Planning and Building Department budget.

### **RESULTS**

Board action in accordance with the recommendation would allow the adopted ordinance to be considered by the California Coastal Commission for certification.

### **ATTACHMENTS**

- 1 PowerPoint Presentation
- 2 Planning Commission Recommended Draft Ordinance (Redline)
- 3 Planning Commission Recommended Draft Ordinance (Clean)
- 4 LOCAC Memorandum
- 5 Planning Commission Letter
- 6 Draft Minutes from July 9, 2020 Planning Commission Meeting
- 7 Staff Report for July 9, 2020 Planning Commission Meeting