

*Before the Board of Supervisors
County of Monterey, State of California*

In the matter of the application of:
VACATION RENTAL ORDINANCES (REF130043 [Coastal])

RESOLUTION NO. 24-300

Resolution of intent of the Monterey County Board of Supervisors to adopt an ordinance amending numerous definitions and zoning district use sections to Title 20 and adding Section 20.64.290 to the Monterey County Code (coastal) to regulate the short-term vacation rental of residential property (**Attachment A**); certify that the amendments are intended to be carried out in a manner fully in conformity with the California Coastal Act; and direct staff to transmit the proposed amendments to the California Coastal Commission for certification, together with materials sufficient for a thorough and complete review.

I. RECITALS

1. Pursuant to Article XI, section 7 of the California Constitution, the County of Monterey may adopt and enforce ordinances and regulations not in conflict with general laws to protect and promote the public health, safety, and welfare of its citizens.
2. Section 30500 of the Public Resources Code requires each county and city to prepare a Local Coastal Program (LCP) for that portion of the coastal zone within its jurisdiction.
2. Monterey County has a certified LCPs pursuant to the California Coastal Act of 1976 that contains land use and development regulations for the coastal areas of the County.
3. All policies of the LCP have been reviewed to ensure that the proposed amendments are consistent with the California Coastal Act, comply with applicable State and Federal Laws, and maintain internal consistency within the County's LCP.

4. The Monterey County LCP includes four Land Use Plan Areas within the County. The Land Use Plan Areas: North County Land Use Plan, Big Sur Coast Land Use Plan, Carmel Area Land Use Plan, and Del Monte Forest Land Use Plan. The proposed ordinance is consistent with each Land Use Plan, which is detailed subsequently.

5. This ordinance will provide regulations, standards, and circumstances under which short-term vacation rentals may be allowed in certain residential unincorporated areas of Monterey County. The intent of this ordinance is to distinguish between three types of short-term vacation rentals: commercial vacation rentals, limited vacation rentals, and homestays, such that commercial vacation rentals require a discretionary land use entitlement while limited vacation rentals and homestays are defined in a manner to be similar in character, density, and intensity to residential use, are not anticipated to remove long-term housing from the market, and therefore are allowed uses, where applicable, with a vacation rental operation license, business license, and transient occupancy tax certificate. This ordinance intends to add definitions and zoning use district sections to Title 20 and adds Section 20.64.290 to the Monterey County Code to establish regulations for vacation rentals. This ordinance provides an initially defined time period during which an unpermitted vacation rental may continue to operate, provided the vacation rental activity was established prior to the effective date of the ordinance and the operator is pursuing all necessary County permits, licenses, and entitlements pursuant to Section 20.64.290 of the Monterey County Code.

6. Homestays, commercial vacation rentals, and limited vacation rentals do not count towards any visitor-serving units or guestroom caps established by the Monterey County Code, Monterey County Coastal Implementation Plan, or Monterey County Land Use Plan.

7. The proposed ordinance is consistent with the Big Sur Coast Land Use Plan (BSLUP) by preserving the rural, wild, and unspoiled nature of the Big Sur Coast Planning Area by prohibiting commercial vacation rentals and allowing limited vacation rentals and homestays with appropriate regulations. Commercial vacation rentals are inconsistent with the BSLUP Policy 5.4.2.G.2, which states that development in rural residential areas shall be limited to residential uses in order to protect residents from unwanted intrusion by other incompatible activities, such as visitor serving uses. Further, BSLUP Policy 5.1.1 states that these residential areas are not well suited for commercial or visitor uses; these areas should continue to be for residential purposes only. As commercial vacation rentals are more akin to a commercial use, commercial vacation rentals operating in residential areas could disturb the existing residents and put a strain on already limited resources (such as potable water, septic systems, and transportation infrastructure). Limited vacation rentals and homestays are allowed in the Big Sur Coast Planning Area as they are more akin to residential uses and would minimize the impact on existing residents. Impacts are minimized further due to the limitations placed on limited vacation rentals and the requirement that the owner or principal resident be on site for the duration of the homestay.

8. The proposed ordinance is consistent with the Carmel Area Land Use Plan (CALUP) in that it allows commercial vacation rentals, limited vacation rentals, and homestays to ensure that public access is maintained but prohibits commercial vacation rentals in the low density residential zoning districts in the CALUP, which consists of the Carmel Highlands, due to the unique resource limitations present in that area. The Carmel Highlands low density residential

neighborhood has challenges with wastewater management due to most residential properties in the area managing wastewater with septic systems. This has created a high density of these types of systems, presenting challenges to the quality of water from onsite domestic water wells. Prohibiting commercial vacation rentals in the Carmel Highlands will minimize the potential impact on water quality in this area. Limited vacation rentals and homestays are still allowed throughout the CALUP. This supports the theme of the CALUP to provide and encourage public recreational use and enjoyment while also limiting the potential impact on coastal resources, which could be damaged or degraded by overuse.

9. The proposed ordinance is consistent with the North County Land Use Plan (NCLUP) in that it allows commercial vacation rentals, limited vacation rentals, and homestays to ensure that public access to and along the coast is maximized and maintained. The NCLUP does not have specific language restricting vacation rentals, nor does the 1982 General Plan. Therefore, the proposed ordinance balances facilitating public access while limiting potential impacts on coastal resources from overuse. Additionally, the cap on commercial vacation rentals serves to protect the residential community's character throughout the NCLUP Area. The NCLUP is less reliant on tourism than other coastal areas of Monterey County and has fewer visitor serving facilities to facilitate public access. Additionally, the NCLUP area has higher poverty rates, lower household incomes, and a greater percentage of households using food stamps than other coastal areas of coastal Monterey County (U.S. Census Bureau, 2022, ACS 5-Year Estimates, Tables S1702, S2001, and S2201). The opportunity to rent a home as a commercial vacation rental and earn additional income by participating in the tourist economy could benefit households and families in the NCLUP. Therefore, currently, there is no appropriate justification for prohibiting commercial vacation rentals in NCLUP.

10. The proposed ordinance is consistent with the Del Monte Forest Land Use Plan (DMFLUP) in that it allows commercial vacation rentals, limited vacation rentals, and homestays to encourage and facilitate public access while placing reasonable limits on commercial vacation rentals to ensure that the residential community of the DMFLUP is not disrupted. The DMFLUP does not have specific language restricting vacation rentals, nor does the 1982 General Plan. While the DMFLUP did not contemplate vacation rentals specifically, DMFLUP Policy 120 does prohibit quasi-residential visitor-serving uses, which supports the proposed ordinance's cap on commercial vacation rentals and careful regulation of vacation rentals. The cap on commercial vacation rentals additionally protects the residential community and ensures that both residential and visitor serving commercial uses can thrive. The proposed ordinance is consistent with the DMFLUP Public Access Key Policy, where the proposed ordinance does not impact visual and physical public access by allowing vacation rentals of all types in the DMFLUP Area while setting limits on commercial vacation rentals to ensure that coastal resources are not marred by overuse.

11. Pursuant to the Coastal Act, the County may amend the certified LCP, provided the County follows certain procedures. The procedures include that the County's Planning Commission hold a notice public hearing and make a recommendation to the Board of Supervisors; that the Board of Supervisors hold a noticed public hearing, adopt a resolution of intent, and submit the proposed amendment to the California Coastal Commission for certification together with materials sufficient for a thorough and complete review; that the Board of Supervisors take subsequent final action on the ordinance after the Coastal Commission

acts; and that the Coastal Commission confirms County's action. Accordingly, the ordinance will not go into effect until after certification by the California Coastal Commission and subsequent formal adoption by the Board of Supervisors at a duly noticed public hearing, and it will not become operative until the California Coastal Commission's certification is final and effective.

12. The County intends to carry out the amendments in a manner fully in conformity with the California Coastal Act. The proposed ordinance is consistent with Coastal Act Public Access Policies (30210, 30213, 30222, and 30252) in that the proposed ordinance protects, provides, and enhances coastal access and recreation opportunities for the general public by creating a clear regulatory framework for vacation rentals. Vacation rentals can provide important visitor serving facilities at a lower cost than traditional hotels, particularly for groups or larger families traveling together. The proposed ordinance prohibits commercial vacation rentals in certain areas of coastal Monterey County with resource constraints (Carmel Highlands), where existing policies limit non-residential uses in residential areas (BSLUP Policy 5.4.2.G.2), or areas with limited housing stock (Moss Landing Community Plan). This prohibition of commercial vacation rentals in certain areas should be weighed against the allowability of homestays and limited vacation rentals in all four of the coastal planning areas of Monterey County. Homestays, in particular, can provide lower-cost visitor serving facilities to the public and are allowed in all coastal areas of Monterey County. The proposed ordinance balances the Coastal Act and the County's LCPs by ensuring that vacation rentals are regulated but also ensuring that the community character is protected consistent with public safety needs and coastal resource protections.

13. The Monterey County Planning Commission held a duly noticed public hearing on the proposed amendments on May 29 and June 12, 2024. The Planning Commission adopted Resolution No. 24-024 recommending that the Board of Supervisors adopt a resolution of intent to approve the proposed LCP amendments by a vote of 10-0.

14. On August 27, 2024, the Board of Supervisors held a duly noticed public hearing to consider the proposed amendments to the LCP. At least 10 days before the hearing date, notice of the hearing was published in the Monterey County Weekly, a newspaper of general circulation.

III. DECISION

NOW, THEREFORE, BE IT RESOLVED that the Board of Supervisors does adopt this Resolution of Intent to:

- a) Adopt an ordinance amending numerous definitions and zoning district use sections of Title 20 and adds Section 20.64.290 to the Monterey County Code (coastal) to regulate the short-term vacation rental of residential property (**Attachment A**);
- b) Certify that the amendments are intended to be carried out in a manner fully in conformity with the California Coastal Act; and
- c) Direct staff to transmit the proposed amendments to the California Coastal Commission for certification, together with materials sufficient for a thorough and complete review.

PASSED AND ADOPTED on this 27th day of August 2024, by roll call vote:

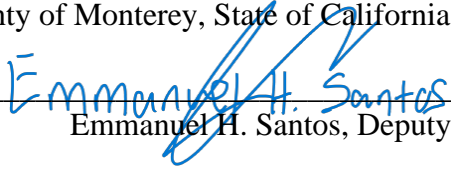
AYES: Supervisors Church, Askew, and Adams
NOES: Supervisor Alejo & Lopez
ABSENT: None

Motion passed 3 to 2

I, Valerie Ralph, Clerk of the Board of Supervisors of the County of Monterey, State of California, hereby certify that the foregoing is a true copy of an original order of said Board of Supervisors duly made and entered in the minutes thereof of Minute Book 82 for the meeting on August 27, 2024.

Dated: Supervisor 18, 2024
File ID: ORD 24-027
Agenda Item No. 13

Valerie Ralph, Clerk of the Board of Supervisors
County of Monterey, State of California


Emmanuel H. Santos, Deputy