



**TO:** Mayor and Councilmembers

**SUBMITTED BY:** Peter T. Imhof, Planning and Environmental Review Director

**PREPARED BY:** Anne Wells, Advance Planning Manager  
Molly Cunningham, Assistant Planner

**SUBJECT:** Short-Term Vacation Rental Ordinance Amendments and Administrative Changes

**RECOMMENDATION:**

- A. Introduce and conduct first reading (by title only) and waive further reading of Ordinance No. 26-\_\_, entitled “An Ordinance of the City Council of the City of Goleta, California, Amending Chapter 5.08 (Short-Term Vacation Rentals) of the Goleta Municipal Code and Finding the Action to be Statutorily Exempt from the California Environmental Quality Act under CEQA Guidelines §§ 15060, 15061, and 15378 (Case No. 25-0006-ORD).”
- B. Provide feedback to staff on proposed administrative changes.

**BACKGROUND:**

This item presents proposed amendments to the City’s short-term vacation regulations (shown Exhibit A to Attachment 1 and Attachment 2 in underline/strikethrough) intended to implement the City’s Housing Element 2023-2031. The City adopted the Housing Element 2023-2031 on December 5, 2023, which was subsequently certified by the California Department of Housing & Community Development on February 5, 2024. The Housing Element 2023-2031 contains an “Eight-Year Action Plan” that lays out the timeline for program implementation. One Housing Element 2023-2031 subprogram that was identified for implementation early in the Eight-Year Action Plan is HE 1.7 Monitor and Address Impact of Short-Term Vacation Rentals (STVRs) on Existing Housing Stock.

Subprogram HE 1.7 states, in part, “The City shall consider additional regulations to address identified issues regarding impacts of STVRs on residential neighborhoods and the City’s existing housing stock.” The Council assigned STVR research and ordinance amendments as a work priority in both the Fiscal Year 2024-25 and 2025-26 Annual Work Programs for the Planning and Environmental Review Department.

Currently, the City regulates STVRs through specific business license requirements found in Chapter 5.08 (Short-Term Vacation Rentals) of the Goleta Municipal Code (GMC). STVRs are also mentioned in the City's zoning regulations, Title 17 of the GMC, which states simply that "[n]o Zoning Permit is required for short-term vacation rentals." There are no specific zoning standards for STVRs and no specific zoning districts where STVRs are or are not allowed (see Section 17.41.240 of the GMC).

The City, led by Finance Department staff, last updated the STVR regulations in GMC Chapter 5.08 on July 18, 2023. Among other things, the amendments included provisions to expressly acknowledge that the City may enter into agreements with STVR online platforms and outlined expected obligations for STVR platforms. After adoption of the amendments, Finance Department staff worked with the STVR hosting platforms to accrue data about the locations of unlicensed STVR operators to better understand the nature of their STVR activities. This effort served as a foundation for implementing subprogram HE 1.7.

City staff, led by Planning and Environmental Review Department staff in collaboration with Finance Department staff, contracted with BAE Urban Economics (BAE) to support the City's implementation of Housing Element 2023-2031 subprogram HE 1.7. BAE conducted an analysis on trends in STVR and hotel occupancy and pricing by analyzing the local housing market composition and utilization; estimating the impacts of visitor spending on induced workforce housing needs; and reviewing approaches to STVR and other regulations for non-resident uses of housing in other communities. Based on the analysis conducted, BAE prepared a STVR and Underused Housing Stock Study (STVR Study), including key findings and possible solutions to address current issues and prevent reasonably anticipated future problems related to STVRs and underused housing.

City staff and the consultant team presented a summary of the STVR Study to the Planning Commission on March 10, 2025 and to City Council on May 20, 2025. The May 20, 2025 City Council staff report including the STVR Study is provided in Attachment 3. At the May 20, 2025 meeting, key findings from the STVR Study were reviewed including: (1) STVRs and seasonal units were not a significant driver of the observed shortage of available long-term housing in the City at the time; and (2) continued monitoring of the local STVR market is advisable to prevent encroachment of the second-home STVR market into the available long-term housing stock. In response, City Council directed staff to pursue amending the current STVR Ordinance and/or enhance procedural practices, following Recommendations 1-8, 13-18, and 20 from the STVR Study, summarized below:

- Recommendations 1-5 focused on administrative and process updates intended to differentiate between "hosted" and "non-hosted" STVRs and increase the amount and quality of data collected on STVRs.
- Recommendations 6-8 focused on updating STVR eligibility standards regarding no-fault evictions, recent home purchases, and sites subject to enforcement penalties.

- Recommendations 13-17 focused on addressing the issues of underuse of existing housing stock by utilizing definitions of “hosted” and “non-hosted” STVRs to regulate these two types of STVRs differently, establishing regulations for timeshares and fractional ownership, creating a rental registry for rentals of 31-90 days, and setting a maximum number of nights per year that a non-hosted STVR can be rented.
- Recommendations 18 and 20 focused on other items not directly related to STVR regulations but that could have an impact on STVRs, including implementation of Good Neighbor Guidelines for STVRs and supporting the construction of a diversity of housing types in the City.

These recommendations provided guidance for City staff to prepare amendments to GMC Chapter 5.08 and administrative improvements discussed below.<sup>1</sup>

## DISCUSSION:

Following direction from City Council in May 2025, City staff and BAE began a two-part analysis of peer jurisdictions’ STVR policies to inform the City about possible ordinance amendments and administrative changes. BAE first conducted a review of the adopted ordinances for seven peer jurisdictions: Ventura, Santa Monica, Carpinteria, Morro Bay, Del Mar, Solvang, and the County of Santa Barbara. BAE and City staff then conducted direct interviews with senior planning and Code Enforcement staff in five of these jurisdictions. BAE compiled the findings from the review and interviews into a Peer Jurisdiction Short-Term Vacation Rental Policy Review Memorandum (STVR Memo), provided as Attachment 4. The STVR Memo concludes with key observations that support the development of the proposed Chapter 5.08 amendments and administrative changes as follows:

- **Goleta is one of the few jurisdictions surveyed that does not apply different regulations to hosted versus non-hosted properties.** Jurisdictions tend to apply looser rules to hosted rentals, while applying more stringent rules to unhosted rentals. Implementing a maximum number of room nights per year for non-hosted rentals, for example, would align Goleta closer with peer jurisdictions. This analysis further supports implementation of several of the recommendations discussed below.
- **Goleta also is one of the few jurisdictions surveyed that does not apply different STVR regulations to different geographies within the City.** This aligns with the fact that there does not appear to be a concentrated STVR presence in any one area within the City, according to an analysis conducted by BAE in 2024. Implementing a cap on STVR licenses by geography could also result in the City losing access to the Airbnb portal, according to Goleta Finance Department

---

<sup>1</sup> Recommendation 20 is one exception. This recommendation focuses on takings steps to encourage and facilitate construction of a diversity of housing types and is therefore not relevant to the question of STVR regulation.

Staff. This analysis further supports City Council direction not to pursue STVR Study Recommendations 11 (apply different standards/allowances within specific geographic areas) and 12 (establish STVR density standards that establish a minimum distance between permitted STVR units, or a maximum share of units within a certain defined area).

- **While few jurisdictions directly address Mid-Term Rentals currently, Goleta could benefit from tracking these properties.** Santa Monica is the only jurisdiction surveyed that currently has a policy addressing mid-term rentals (31 to 90 days). While a mid-term registry would require extensive resources, less burdensome alternatives worth considering might include requiring a General Business License for these rentals and requiring platforms like Airbnb to report data on listings between 31 and 365 days. This would give Finance a clearer picture of how mid-term rentals are affecting the housing stock from a data perspective without requiring a full registry. This analysis provides justification for not implementing Recommendation 15 relating to establishing a 31-90 day rental registry.
- **Budget for ongoing oversight of STVR license holders.** Third-party tools like Granicus, Rentalscape, and HDL can help automate workflows, but surveyed jurisdictions note they are not a complete solution. Dedicated part-time staffing is needed for effective oversight. Until permitting demands reach a certain threshold, Finance staff can retain additional staffing as needed.

Following the direction received from Council at the May 20, 2025 meeting and additional information from the STVR Memo, City staff prepared a series of amendments to the City's STVR regulations and developed related non-regulatory administrative changes.

#### Goleta Municipal Code Chapter 5.08 Amendments

STVR regulation changes to Chapter 5.08 of the GMC are proposed in the ordinance provided as Attachment 1 (Proposed Ordinance). More specifically, the amended Chapter 5.08 can be found as Exhibit A to the Proposed Ordinance. The amendments in the Proposed Ordinance are in a "clean" format, meaning they do not show the actual proposed changes to the adopted regulations. For ease of understanding, the proposed amendments shown in tracked changes from the current adopted regulations of Chapter 5.08 are provided as Attachment 2.

The proposed changes to Chapter 5.08 are summarized below, organized by relevant City Council/STVR Study recommendations.

#### *Add Short-Term Vacation Rental Definitions in the Municipal Code (Recommendation 1 and 13)*

The Proposed Ordinance adds two definitions to GMC Section 5.08.020 (Definitions). These two new definitions, for "Hosted Short-Term Vacation Rental" and "Non-hosted Short-Term Vacation Rental," are intended to differentiate STVRs where the unit owner

or long-term tenant remains in residence during the short-term rental (“hosted”) compared to when such person is absent (“non-hosted”). The definitions are intended to facilitate different requirements for these two types of STVRs, as more detailed below.

*Prohibit Non-Hosted STVR Licensing on Properties Recently Subject to No-Fault Eviction (Recommendation 6 and 17)*

The Proposed Ordinance includes the addition of GMC subsection 5.08.080(B)(6) to prohibit a non-hosted STVR on a property recently subject to a no-fault eviction. The proposed waiting period is proposed as 24 months from the date of the eviction. The 24-month waiting period aligns with the existing 24-month waiting period found in GMC subsection 5.08.080(B)(2) for properties where an STVR license has been revoked or suspended. The purpose of this standard is to disincentivize removing a long-term tenant to convert a dwelling unit to a STVR.

*Prohibit Non-Hosted STVR Licensing on Properties Recently Purchased (Recommendation 7 and 17)*

The Proposed Ordinance includes the addition of GMC subsection 5.08.080(B)(7) to require an STVR permit waiting period of 24 months following the purchase of a property before that property is eligible to apply for a non-hosted STVR permit. The 24-month waiting period aligns with the existing 24-month waiting periods referenced above. The purpose of this standard is to prevent homes being purchased for the purpose of being converted from a long-term dwelling unit into an STVR.

*Three-Strike Violation Policy and License Suspension (Recommendation 8)*

The Proposed Ordinance includes enhanced enforcement penalties, a “three strikes” policy, in GMC subsection 5.08.120(B). This new policy would allow the City to revoke STVR licenses from operators that repeatedly violate STVR regulations established in the GMC, adopted nuisance standards, and/or who fail to demonstrate a good faith attempt to address problems in a timely manner. As stated in the Proposed Ordinance, the accrual of three violations as listed in GMC subsection 5.08.120(A) within a 12-month timeframe will result in an STVR license suspension for 24 months.

*Limitations on Number of Non-Hosted Nights Per Year (Recommendation 16 and 17)*

The Proposed Ordinance includes a maximum number of 120 cumulative nights per year that a non-hosted STVR may be rented. This amendment would provide an incentive for a property owner to rent to a long-term tenant due to the limited number of nights per year a unit could generate revenue as an STVR. However, the 120 nights per year standard would still allow for most existing STVRs in the City to continue to operate as they have been. As noted in the STVR Study, 54% of STVRs in the City are available annually for 90 nights or less.

*Corporate-Owned Housing STVR Licensing Prohibition (Recommendation 14)*

The Proposed Ordinance includes a prohibition on corporations or limited liability companies from obtaining an STVR license, in GMC subsection 5.08.080(C). This prohibition would prevent these entities from purchasing housing stock for the purpose of converting long-term dwelling units into STVRs and may address fractional ownership STVRs. Note that the City already regulates timeshares as a visitor-serving commercial use under Title 17 of the GMC

Administrative Changes

In addition to amendments to Chapter 5.08, City staff also proposes changes to other aspects of STVR licensing administration.

*Updated Application Forms and Additional Data During STVR Licensing (Recommendations 2, 3, 4)*

The Finance Department currently collects a variety of information during the STVR licensing process. Additional data will be required and collected to support the ongoing implementation and evaluation of the City's STVR licensing program. Updates and data collection would include modifying the STVR application form to:

- Include a statement from the property declaring if there has or has not been a no-fault eviction at the property. If the property was subject to no-fault eviction, a date would need to be provided on the STVR licensing application and a block on the license would be put on the property for 24 months following that date. This information would support the proposed no-fault eviction language proposed in GMC subsection 5.08.080(B)(6).
- Require the most current property title and deed transfer. This information would allow for the enforcement of the post-sale waiting period for non-hosted STVRs proposed in GMC subsection 5.08.080(B)(7) and assessment of the ownership model and support of the denial of corporate-owned STVRs in proposed in GMC subsection 5.08.080(C).
- Include a statement that gives the City the right to request water and electricity usage data. Including this right for the City would provide the City with data to ensure and review compliance with STVR regulations (such as the number of nights per year standard) and compare utility usage with data from hosting platforms.
- Require, as part of an STVR license renewal application, the STVR owner or agent of the owner-signed statement that the property has not been structurally altered without any required building permits within the last year. The purpose of this requirement is to ensure that changes to the property have not been made that would require reconsideration of the previously prepared Nuisance Response Plan. While not a replacement for annual site inspections of STVRs, this

application requirement would place the burden of responsibility on the property owner to declare changes to the site not otherwise documented in Building Permits without creating a significant administrative burden for the City to conduct annual inspections.

*STVR Property Search Tool (Recommendation 5)*

Out of existing hosting platforms, only Airbnb currently provides property search access to Finance Department staff. Finance Department staff intend to expand their access to all hosting platforms hosting Goleta addresses, not just Airbnb. Additionally, nuisance and complaint tracking is available in the City's permit tracking system and is monitored by Finance Department staff through a code compliance module and ensures prompt resolution of complaints.

While these property search tools are not accessible to the public, Finance Department staff prefer to continue with this method of property searches as an efficient, financially lean method of data acquisition and oversight and compliance monitoring.

*Create a Mid-Term Rental Registry (Recommendation 15)*

Finance staff has access to existing tools and infrastructure that provide data on mid-term (31 to 90 days) rentals. However, accessing, processing, and tracking the data requires a time investment that would impact current staff capacity. Additional resources or staff would be required. As such, staff does not propose moving forward with a mid-term rental registry at this time. Instead, staff would passively review data provided by hosting platforms regarding mid-term leases and track and enforce as needed and will add a requirement for a business license for mid-term rentals. If a property is listed as a mid-term rental but used as a STVR, Finance staff will use the regulatory tools in GMC Chapter 5.08 to regulate the use accordingly.

*Good Neighbor Guidelines (Recommendation 18)*

Compliance with Good Neighbor Guidelines is a requirement in existing GMC subsection 5.08.085(H)(10). Good Neighbor Guidelines serve to inform STVR operators about nuisance standards and nuisance complaint abatement methods. As part of the existing work effort to oversee and regulate STVRs, Finance Department staff will be finalizing a draft of the Good Neighbor Guidelines and will market the Good Neighbor Guidelines when staffing resources are available.

**ENVIRONMENTAL REVIEW**

Adoption of the Proposed Ordinance is not subject to the California Environmental Quality Act (CEQA) (California Public Resources Code Sections 21000 et seq.) pursuant to Section 15060(c)(3) of the CEQA Guidelines (Title 14, Chapter 3 of the California Code of Regulations) because the activity is not a project as defined in Section 15378(a) but rather is an organizational or administrative activity by government that will not result in direct or indirect physical changes in the environment pursuant to Section 15378(b)(5).

Adoption of the Proposed Ordinance is also exempt from CEQA pursuant to Section 15061(b)(3) of the CEQA Guidelines because the activity is covered by the general rule which exempts activities that can be seen with certainty to have no possibility for causing a significant effect on the environment.

A draft Notice of Exemption is provided as Attachment 5.

**FISCAL IMPACTS:**

There is no direct fiscal impact from introducing and recommending adoption of the Proposed Ordinance. Funding for Planning and Environmental Review Department staff time to prepare the Proposed Ordinance and the administrative changes was included in the adopted FY 2025-26 Budget under Program 4300 of the Advance Planning Division. However, depending on City Council final direction, full implementation of the ordinance amendments and the related administrative changes will need to be implemented as time and staff capacity allow and within the Finance Department FY 2026-27 and FY 2027-28 Budgets. Staff anticipates one-time and additional ongoing costs associated with program implementation and oversight. To help offset those costs, Finance staff intends to pursue full cost recovery through the STVR license fee structure and anticipates bringing back a proposed fee adjustment for Council consideration at a later date. The current short-term vacation rental license fee is \$377 (consisting of a \$373 license fee plus a \$4.00 SB 1186 State Mandate Fee) and is subject to a CPI adjustment in FY 2026-27 to \$388 (consisting of a \$384 license fee plus \$4.00 SB 1186 State Mandate Fee).

The net effect on Transient Occupancy Tax (TOT) revenue is uncertain, and any specific estimate would be speculative. While the 120-night cap may reduce TOT collected from higher-volume non-hosted operators, displaced visitor demand may shift to hotels and other licensed lodging within the City, which are also subject to TOT. Net revenue effects will become clearer as program data develops following implementation.

**ALTERNATIVES:**

City Council could choose not to adopt the Proposed Ordinance. City Council could also choose to alter the language in the Proposed Ordinance and/or provide different direction on the proposed administrative changes.

**LEGAL REVIEW BY:** Isaac Rosen, City Attorney

**APPROVED BY:** Robert Nisbet, City Manager

**ATTACHMENTS:**

1. Ordinance No. 26-\_\_\_, entitled “An Ordinance of the City Council of the City of Goleta, California, Amending Chapter 5.08 (Short-Term Vacation Rentals) of the Goleta Municipal Code and Finding the Amendments to be Statutorily Exempt from the California Environmental Quality Act under CEQA Guidelines §§ 15060, 15061, and 15378 (Case No. 25-0006-ORD)”

Exhibit A: Amended Chapter 5.08 of the Goleta Municipal Code

2. Chapter 5.08 of the Goleta Municipal Code Showing Track-Changes Edits Based on the Proposed Ordinance Compared to the City’s Current STVR Regulations (For Reference Purposes Only)
3. City Council Short-Term Vacation Rental and Underused Housing Stock Staff Report, Dated May 20, 2025 (except for the Staff Presentation)
4. Peer Jurisdiction Short-Term Vacation Rental Policy Review Memorandum (BAE Urban Economics, April 2026)
5. CEQA Notice of Exemption
6. Staff Presentation

## **ATTACHMENT 1**

Ordinance No. 26-\_\_\_, entitled "An Ordinance of the City Council of the City of Goleta, California, Amending Chapter 5.08 (Short-Term Vacation Rentals) of the Goleta Municipal Code and Finding the Amendment to be Statutorily Exempt from the California Environmental Quality Act under CEQA Guidelines §§ 15060, 15061, and 15378 (Case No. 25-0006-ORD)

**ORDINANCE NO. 26-\_\_**

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF GOLETA, CALIFORNIA, AMENDING CHAPTER 5.08 (SHORT-TERM VACATION RENTALS) OF THE GOLETA MUNICIPAL CODE AND FINDING THE AMENDMENTS TO BE STATUTORILY EXEMPT FROM THE CALIFORNIA ENVIRONMENTAL QUALITY ACT UNDER CEQA GUIDELINES §§ 15060, 15061, AND 15378 (CASE NO. 25-0006-ORD)**

**WHEREAS** the City's Housing Element 2023-2031 was adopted on December 5, 2023; and

**WHEREAS** the City's Housing Element 2023-2031 identifies subprogram HE 1.7 (Monitor and Address Impact of Short-Term Vacation Rentals on Existing Housing Stock), which includes considering additional regulations for short-term rentals; and

**WHEREAS** the City's Short-Term Vacation Rental ("STVR") regulations are contained in Chapter 5.08 of the Goleta Municipal Code; and

**WHEREAS** City staff updated Chapter 5.08 on July 18, 2023, to increase efficiency and effectiveness of the STVR permitting process, gain a more accurate accounting of the number of STVR units in Goleta, and begin to analyze the impact of STVRs on the local housing market; and

**WHEREAS** City staff contracted with Bay Area Economics ("BAE") to support the City's implementation of Housing Element 2023-2031 subprograms HE 1.7; and

**WHEREAS** BAE conducted analysis on STVRs and prepared a STVR and Underused Housing Stock Study (Study); and

**WHEREAS** the Study was presented during a duly noticed City Council meeting on May 20, 2025; and

**WHEREAS**, following Council direction, BAE and City staff reviewed seven peer jurisdiction's STVR regulations and conducted interviews with five jurisdictions; and

**WHEREAS** BAE compiled the peer review findings into a Peer Jurisdiction Short-Term Vacation Rental Policy Review Memorandum (“Memo”); and

**WHEREAS** City staff and BAE utilized the findings from the Study and Memo to amend Chapter 5.08 consistent with City Council direction; and

**WHEREAS** the City Council adopted Ordinance No. 26-\_\_\_, which amends Title 5 of the Goleta Municipal Code, by a majority vote on \_\_\_\_\_, 2026;

**NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF GOLETA DOES HEREBY ORDAIN AS FOLLOWS:**

**SECTION 1. Recitals**

The City Council hereby finds and determines that the foregoing recitals, which are incorporated herein by reference, are true and correct.

**SECTION 2. Environmental Review**

Adoption of the amendments is not subject to the California Environmental Quality Act (CEQA) (California Public Resources Code Sections 21000 et seq.) pursuant to Section 15060(c)(3) of the CEQA Guidelines (Title 14, Chapter 3 of the California Code of Regulations) because the activity is not a project as defined in Section 15378(a) but it is an organizational or administrative activity by government that will not result in direct or indirect physical changes in the environment pursuant to Section 15378(b)(5).

Adoption of the amendments is also exempt from CEQA pursuant to Section 15061(b)(3) of the CEQA Guidelines because the activity is covered by the general rule which exempts activities that can be seen with certainty to have no possibility for causing a significant effect on the environment.

As such, the Ordinance is exempt from further CEQA review.

**SECTION 3. Title 5 of the Goleta Municipal Code Amendments**

Chapter 5.08, entitled “Short-Term Vacation Rentals,” is amended to read as shown in Exhibit A.

**SECTION 4. Effect of Amendments**

To the extent that any provision of this Ordinance repeals, amends, or supersedes any previous approvals, such repeal or replacement will not

affect any penalty, forfeiture, or liability incurred before, or preclude prosecution and imposition of penalties for any violation occurring before, this Ordinance's effective date. Any such repealed or superseded part of previous approvals will remain in full force and effect for sustaining action or prosecuting violations occurring before the effective date of this Ordinance.

**SECTION 5. Severability**

If any part of this Ordinance or its application is deemed invalid by a court of competent jurisdiction, the City Council intends that such invalidity will not affect the effectiveness of the remaining provisions or applications and, to this end, the provisions of this Ordinance are severable.

**SECTION 6. Codification**

The City Clerk shall cause these amendments to be appropriately renumbered and codified in Title 5 of the Goleta Municipal Code on the effective date of this Ordinance.

**SECTION 7. Certification of City Clerk.**

The City Clerk shall certify to the adoption of this ordinance and, within 15 days after its adoption, shall cause it to be published in accord with California Law.

**SECTION 8. Effective Date.**

This ordinance shall take effect on the 31<sup>st</sup> day following adoption by the City Council.

**INTRODUCED ON** the \_\_\_\_ day of \_\_\_\_\_, 2026.

**PASSED, APPROVED, AND ADOPTED** this \_\_\_\_\_day of \_\_\_\_\_  
2026.

\_\_\_\_\_  
PAULA PEROTTE  
MAYOR

**ATTEST:**

**APPROVED AS TO FORM:**

\_\_\_\_\_  
DEBORAH S. LOPEZ  
CITY CLERK

\_\_\_\_\_  
ISAAC ROSEN  
CITY ATTORNEY

STATE OF CALIFORNIA )  
COUNTY OF SANTA BARBARA ) ss.  
CITY OF GOLETA )

I, DEBORAH S. LOPEZ, City Clerk of the City of Goleta, California, do hereby certify that the foregoing Ordinance No. 26-\_\_ was introduced on \_\_\_\_\_, and adopted at a regular meeting of the City Council of the City of Goleta, California, held on the \_\_\_\_\_, by the following roll-call vote, to wit:

AYES:

NOES:

ABSENT:

ABSTENTIONS:

(SEAL)

\_\_\_\_\_  
DEBORAH S. LOPEZ  
CITY CLERK

**EXHIBIT A**

Amended Chapter 5.08 of the Goleta Municipal Code

## **Chapter 5.08: Short-Term Vacation Rentals**

### **§ 5.08.010. Authority and Purpose.**

This chapter is adopted pursuant to the police powers of the City for the purpose of requiring the owner or owners of a residential dwelling unit that is used as a short-term vacation rental, as defined herein, to apply for and secure a license authorizing such use in the manner provided for by this chapter. The City seeks to facilitate short-term vacation rentals while promoting responsible visitor and operator behavior and protecting the long-term residential character of its neighborhoods.

### **§ 5.08.020 Definitions.**

The definitions set forth in this section shall govern the meaning and construction of the words and phrases used in this chapter, except where the context of such words and phrases clearly indicates a different meaning or construction:

**“Hosting platform”** means a person or entity who participates in short-term vacation rentals by collecting or receiving a fee, directly or indirectly through an agent or intermediary, for conducting a booking transaction using any medium of facilitation. Examples include, but are not limited to, VRBO.com, Airbnb.com, homestay.com, and other internet and non-internet based services that facilitate bookings for a fee.

**“License administrator”** means the City Finance Director or such other City employee as may be designated by the City Manager to administer the provisions of this chapter. The license administrator shall have the authority to make interpretations and to promulgate guidelines in order to facilitate orderly administration of this chapter.

**“Owner of a short-term vacation rental,” “owner,” or “host”** means the person or persons holding fee title to a dwelling unit operated and used as a short-term vacation rental, or a person or persons holding the lease estate to a dwelling unit and operating and using the leased dwelling unit as a short-term vacation rental, or the agents of any such persons.

**“Short-term vacation rental”** means a dwelling unit other than a dwelling unit located in a hotel, as those terms are defined in this Code, that is rented to a tenant for a period of not more than 30 consecutive days.

**“Hosted Short-Term Vacation Rental”** means a short-term vacation rental of a single room or sleeping area within a residential dwelling, where the property owner or long-term tenant remains in residence for the duration of the short-term vacation rental.

**“Non-Hosted Short-Term Vacation Rental”** means a short-term vacation rental of an entire dwelling unit, where the short-term renter has sole access to the dwelling unit and the primary resident or homeowner is not present through the duration of the

rental.

**§ 5.08.030 License Required.**

A. No owner or owners of a short-term vacation rental shall rent, offer to rent, or advertise for rent a short-term vacation rental to another person without a license approved and issued in the manner provided for by this chapter.

B. Any valid short-term vacation rental license that is issued under this chapter before August 17, 2023 is considered a short-term vacation rental license under this chapter.

C. A short-term vacation rental license shall be valid until December 31 in the year in which it is first issued and upon renewal it is valid for a period of one year from January 1 through December 31 of each year, unless sooner revoked. A license under this section does not confer any rights to any person for more than the above-referenced period.

D. No short-term vacation rental license shall be renewed automatically. It shall be the responsibility of the host to renew the license prior to the end of each calendar year and submit an updated application or renewal form and any applicable fee at least 30 days prior to the expiration date of the license. Upon timely submission of renewal, the license will remain effective until the license is renewed or denied. Failure to timely submit an application and renewal fee for renewal of an existing license may be deemed operating without a license and in violation of this chapter, upon expiration of the then-issued license or unless sooner revoked. Applications for renewal shall be in a form required by the license administrator and include updates of all information required or submitted for the license.

E. A short-term vacation rental license shall be issued only to the specific person listed on the application.

F. A short-term vacation rental license may not be transferred from one person to another. A short-term vacation rental license does not run with the land. Except as provided in Goleta Municipal Code Sections 5.01.300 and 5.01.310, any change to the organizational structure of the owner or any change of ownership of the short-term vacation rental requires a new short-term vacation rental license.

**§ 5.08.040 License Applications.**

Applications for a license required by this chapter shall be submitted by an owner, or an agent authorized on behalf of the owner to submit an application on their behalf, in a form and contain the information required by the license administrator, and shall be accompanied by the following:

A. A nuisance response plan containing the information required by this chapter;

Exhibit A: Amended Section 5.08 of the Goleta Municipal Code

B. A transient occupancy registration certificate issued by the City Finance Director pursuant to Chapter 3.06 of the Goleta Municipal Code;

C. A surety bond in the amount of \$1,500.00 issued by a responsible surety company and in the form required by this chapter;

D. A license application fee in an amount established in the manner provided for by this chapter;

E. A written declaration affirming that, at least 30 days prior to issuance of the license, occupants of all residences and businesses located within 200 feet from the proposed short-term vacation rental have been notified of the proposed license and have been informed in writing in a form acceptable to the City of the proposed use and the contact information with the City to seek additional information or register concerns or objections; and

F. Such other information and/or additional forms as deemed necessary by the license administrator or other department to which the application for a license is referred. Notice of issuance of the license shall be provided to everyone who files a written request for such notice.

**§ 5.08.050 License Fees.**

All license application fees, including any renewal application, and the fees charged incident to the amendment of a nuisance response plan shall be established by the City Council.

**§ 5.08.055 Licensed Occupancy.**

Every license issued by the City shall specify the maximum number of overnight occupants allowed at the short-term vacation rental and the maximum number of vehicles associated with the overnight occupancy of the short-term vacation rental which can be parked at the property.

**§ 5.08.060 Nuisance Response Plans.**

A. Each nuisance response plan accompanying an application for a license required by this chapter shall contain the following information and otherwise be in a form required by the license administrator:

1. The mailing address and telephone number of the owner or owners of the residential dwelling unit or units to be used as a short-term vacation rental pursuant to the license.
2. The name, address and telephone number of the person or persons who will be available by telephone, and who will be responsible for promptly responding to or

Exhibit A: Amended Section 5.08 of the Goleta Municipal Code

causing a prompt response to a nuisance complaint arising out of the occupancy or use of the short-term rental(s) by tenants, their visitors and/or their guests. For the purposes of this chapter, a return telephone call to a complainant within 30 minutes of the initial complaint shall be deemed “prompt.”

- a. No more than a total of three persons shall be designated in the response plan as a person responsible for responding to or causing a response to a nuisance complaint; and
  - b. Only one such person shall be designated as the person responsible for responding to a nuisance complaint during any particular hours of the day, different days in a week, and/or different weeks of the year.
3. The manner of responding to or causing a response to a nuisance complaint, including, but not limited to, the manner in which the complainant or complainants will be notified of the response and the method of documenting prompt responses and timely corrective action.
  4. The manner of assuring timely corrective action to remedy the conditions that caused the nuisance complaint. For the purposes of this chapter, “timely corrective action” shall include, at a minimum, a telephone call to the primary adult occupant of the short-term vacation rental within 30 minutes of the initial nuisance complaint.
  5. The proposed maximum number of overnight occupants, with supporting documentation identifying unusual size, interior layout, parking or other physical characteristics, if any, that support a request for occupancy greater than two persons per bedroom, plus two additional persons.
  6. The number of off-street parking spaces and number of bedrooms available at the short-term vacation rental.
- B. At any time, the owner or owners of a short-term vacation rental may change the content of the nuisance response plan approved incident to the issuance of the license by filing an amended response plan with the license administrator. Such amended response plan shall contain all of the information and be in the form required by this section and shall be accompanied by an amended response plan fee in an amount established in the manner provided for by this chapter.

**§ 5.08.070 Notice of Nuisance Response Plans.**

Promptly following the approval and issuance of a license required by this chapter, or the approval of an amended nuisance response plan in the manner provided for by this chapter, the license administrator shall require the applicant to provide proof that the nuisance response plan has been mailed by first class mail addressed to the owner or occupant of every property, any part of which is located within a 200-foot radius of the

property that is to be used and occupied as a short-term vacation rental, pursuant to such license.

**§ 5.08.080 Approval of License—Grounds for Denial, Suspension or Revocation.**

- A. Upon receipt of an application for a license required by this chapter, the license administrator will review the application and supporting documents and will approve and issue a license to the owner or owners of the property that is the subject of the application that authorizes the use and occupancy of such property as a short-term vacation rental if the license administrator finds that the required application fee has been paid, that the requirements of the short-term vacation rental license application as set forth in this chapter have been satisfied, and that the nuisance response plan and surety bond submitted with the application conform to the City's requirements.
- B. Notwithstanding subsection A of this section:
1. The license administrator is hereby authorized to promulgate written requirements relating to operations of short-term vacation rentals to implement the intent of this chapter and may amend them from time to time as the license administrator deems appropriate. Those requirements shall include, but are not limited to, the performance standards, as set forth in Section 5.08.085. Non-compliance with those requirements and standards may result in revocation of a license, as determined by the license administrator, in consultation with the City Attorney, and shall be conducted pursuant to the procedures as further set forth in this chapter.
  2. A license shall be denied if a short-term vacation rental license issued to the applicant or for the property has been suspended or revoked in the prior 24 months.
  3. A license shall be denied if the residential dwelling unit proposed as a short-term vacation rental was established through Section 17.07.040(B).
  4. A license application shall not be processed while an enforcement action by the City for violations of this chapter or any section of the Municipal Code is pending unless the approval is required to resolve the enforcement action.
  5. No license shall be renewed unless all City fees and taxes owed by the applicant are paid in full, including the renewal fee.
  6. A license for a non-hosted short-term vacation rental shall be denied if the dwelling unit proposed for the short-term vacation rental was subject to a no-fault eviction in the 24 months prior to the submission of the short-term vacation rental license application.

Exhibit A: Amended Section 5.08 of the Goleta Municipal Code

7. A license for a non-hosted short-term vacation rental shall be denied if the parcel on which the short-term vacation rental is proposed was purchased in the 24 months prior to the submission of the short-term vacation rental license application.
- C. A short-term vacation rental license shall only be issued for a property owned by an individual or a personal trust. No short-term vacation rental license shall be issued to any business entity, including a corporation, a limited liability company, or any form of business trust.
- D. In addition to any other remedy provided by this chapter, a license issued pursuant to this chapter may be suspended, modified, or revoked for a violation of this chapter, for a violation of any other law on the premises of the short-term vacation rental, or for the maintenance of such other condition as may be shown to be injurious to the public health and safety. Revocation proceedings may be initiated by the City Manager or City Attorney and shall be conducted pursuant to the procedures set forth in Section 1.02.110 of this Code.

**§ 5.08.085 Performance Standards.**

Each owner, and each tenant or occupant of a short-term vacation rental, shall at all times comply with or cause compliance with the performance standards applicable to short-term vacation rentals they own, lease or occupy, as established by this section.

- A. The owner shall ensure that the short-term vacation rental complies with all current applicable codes regarding fire, building and safety, and all other relevant laws and ordinances.
- B. No person shall list, offer to rent, or advertise for rent a short-term vacation rental without including in the listing, offer, or advertisement the City license number applicable to the short-term vacation rental property in the form “Goleta License No. \_\_\_\_\_.” The license number shall be displayed or printed in the same size type as the largest type used in the main body of the offer or advertisement.
- C. The owner shall require the primary overnight and daytime occupant of the short-term vacation rental to be an adult 18 years of age or older. This adult shall provide a telephone number to the owner and shall be accessible to the owner by telephone at all times.
- D. Prior to occupancy, the owner shall obtain the name, address, and driver’s license number or a copy of the passport of the primary adult occupant of the short-term vacation rental. The owner shall require that adult to sign a formal acknowledgement that he or she is legally responsible for compliance of all occupants of the short-term vacation rental or their guests with all provisions of this chapter. This information shall be provided by the responsible party identified in the nuisance response plan upon

Exhibit A: Amended Section 5.08 of the Goleta Municipal Code

request of any police officer or employee of the City authorized to enforce this chapter or State law.

- E. The owner shall limit overnight occupancy of the short-term vacation rental to a specific number of occupants, with the maximum number of overnight occupants being two persons per bedroom, plus two additional persons.
- F. The owner shall limit the number of vehicles associated with the overnight occupancy of the short-term rental to a specific number of vehicles, with the maximum number of vehicles being the number of off-street parking spaces available at the property.
- G. Trash and refuse shall not be left stored within public view, except in proper containers for the purpose of collection on scheduled trash collection days. The owner of the short-term vacation rental shall provide sufficient trash collection containers and service to meet the demand of the occupants.
- H. Each lease or rental agreement for a short-term vacation rental shall include the following terms, notifications and disclosures, which terms shall also be posted in a conspicuous location inside the unit:
  - 1. The maximum number of overnight occupants and day use visitors that are permitted.
  - 2. The maximum number of vehicles that overnight occupants may park at the short-term rental.
  - 3. Notification that on-street parking is extremely limited in some areas of the City.
  - 4. The trash pick-up day and applicable rules and regulations pertaining to leaving or storing trash or refuse on the exterior of the property.
  - 5. Notification that the occupant may be cited or fined by the City and/or immediately evicted by the owner pursuant to State law, in addition to any other remedies available at law, for violating any other provisions of this chapter.
  - 6. Notification that failure to conform to the occupancy requirements of the short-term vacation rental is a violation of this chapter.
  - 7. Notification that amplified sound, including radios, televisions and other electronic devices are subject to the City's Noise Ordinance as set forth in Goleta Municipal Code Section 9.09.020.
  - 8. A prohibition on illegal loud parties, along with notification of the City's right to recover the costs of special enforcement needed to address certain loud parties.

Exhibit A: Amended Section 5.08 of the Goleta Municipal Code

9. The name of the managing agency, agent, rental manager, local contact person, or owner of the unit, and a telephone number at which that party may be reached at all times.
  10. A copy of the “Good Neighbor Guidelines” which may from time to time be prepared by the license administrator. These guidelines may include location-specific information, such as neighborhood quiet hours, local speed limits and the prohibition of fires and fireworks in beach areas.
  11. Notification that the property is part of the City of Goleta’s Short-Term Vacation Rental Program.
  12. A copy of this chapter of the Goleta Municipal Code, as it may be amended from time to time.
- I. Upon receipt of a nuisance complaint or upon notification of an allegation that any occupant or guest of the short-term vacation rental has created unreasonable noise or disturbances, engaged in disorderly conduct, or committed violations of the Goleta Municipal Code or any State law, the owner shall promptly respond and take timely corrective action to prevent a recurrence of such conduct by those occupants or guests. Failure of the owner to respond promptly or to take timely corrective action regarding the condition, operation, or conduct of occupants of the short-term vacation rental shall be a violation of this chapter. An owner is not required or authorized to act as a peace officer or to intervene in situations that pose a risk to personal safety. The owner, or his or her agent, shall maintain records of the name, violation, date, and time of each complaint, disturbance, response and corrective action.
  - J. The owner shall cause a copy of the nuisance response plan to be posted in a conspicuous place within the property.
  - K. The owner shall annually provide to the license administrator written confirmation of compliance with all elements of the performance standards and the approved nuisance response plan and confirming that the nuisance response plan is current and accurate.

The performance standards may be modified by the license administrator upon request of the owner based upon site-specific circumstances for the purpose of allowing reasonable accommodation of a short-term vacation rental occupant as may be required by State or Federal disability laws. All requests must be in writing and shall identify how the strict application of the standard conditions creates an unreasonable hardship to a property such that, if the requirement is not modified, reasonable use of the property for a short-term vacation rental would not be allowed.

**§ 5.08.090 Appeals.**

Any party may file a written request with the City Clerk for a hearing before the City Manager within 10 days following a decision by the license administrator to grant, deny, suspend, or revoke a short-term vacation rental license. All appeals must be accompanied by payment of the required fee established by City Council resolution. The public shall be provided notice of the hearing consistent with the requirements of this Code. The hearing shall be opened no more than 45 days following the request for hearing being received by the City. A decision shall be made by the City Manager or designee within 10 days of the hearing. The decision of the City Manager or designee shall be final.

**§ 5.08.100 Surety Bonds.**

- A. Each surety bond accompanying an application for a license required by this chapter shall be issued by a surety licensed to do business in the State of California that has an A.M. Best Financial Strength Rating of at least “A-”, shall name the City as the bond obligee, and shall be conditioned on the payment of any administrative fine assessed in the manner provided for by Chapter 1.02 of this Code within the time provided for therein if:
  - 1. The administrative fine was assessed either against the licensee or against any tenant or other person occupying or using the short-term vacation rental operated pursuant to such license; and
  - 2. The administrative fine arose out of a violation of this chapter, or the occupancy or use of such short-term vacation rental in a manner that violated any provision of this Code.
  
- B. At any time following the issuance of a license required by this chapter, the licensee may file a substitute surety bond with the license administrator issued by a surety that meets the requirements of this section. Upon determining that such substitute bond conforms to such requirements, the license administrator shall return the bond being replaced by the substitute surety bond to the licensee.

**§ 5.08.110 Cessation of Use of a Property as Short-Term Vacation Rental.**

Where the owner of property used and occupied as a short-term vacation rental pursuant to a license approved and issued in the manner provided for by this chapter determines to cease such use, the property owner shall promptly cause a notice of such determination to be filed with the license administrator. Within 30 days following confirmation that there are no pending enforcement actions arising from violations of this chapter, the license administrator shall return the surety bond provided to the City to the licensee.

**§ 5.08.115 Hosting Platform Responsibilities.**

- A. A hosting platform must have a current, valid business license from the City to facilitate any booking for a short-term vacation rental within the City.

Exhibit A: Amended Section 5.08 of the Goleta Municipal Code

- B. A hosting platform that facilitates bookings for any short-term vacation rental in the City shall provide a mandatory field in which a host or owner must enter a City license number applicable to the property (as required by this chapter), in the form “Goleta License No. \_\_\_\_\_, ” prior to listing a short-term vacation rental on its platform. The hosting platform shall cause the license number applicable to the property to be visible to any person viewing the listing for the specified property.
- C. Before allowing a host to list a short-term vacation rental on its platform, a hosting platform shall advise the host of the following:
1. The City regulates short-term vacation rentals. Short-term vacation rentals are only allowed in accordance with Chapter 5.08 of the Goleta Municipal Code.
  2. A short-term vacation rental in Goleta is only legal if the owner has a valid license from the City.
  3. The host must provide a valid City license for the short-term vacation rental in the listing, or the listing must be taken down.
  4. Failure to provide a valid City license with the listing may also subject the host to civil and criminal enforcement action by the City, in addition to restrictions by the hosting platform.
- D. Subject to all applicable laws, hosting platforms shall, upon written request by the City, promptly disclose to the City each short-term vacation rental listing located in the City, the contents of the City license number field, the host ID, listing ID, names of the persons responsible for each such listing, the address of each such listed property, the length of each stay for each such listing (with dates), and the price paid for each stay.
- E. If, in the course of facilitating a booking transaction, a hosting platform collects rent from a tenant, the hosting platform must also collect and at least monthly remit the following to the City:
1. Transient occupancy tax in accordance with Chapter 3.06 of this Code; and
  2. South Coast Tourism Business Improvement District assessments in accordance with Resolution No. 22-12, to the extent permitted by law.
- In the event a hosting platform does not collect rent from a tenant, the hosting platform must display the applicable transient occupancy tax.
- F. In the event a listing does not display a valid City license issued in accordance with this chapter, the City shall provide notice to the applicable hosting platform of the non-compliant listing. Within seven business days thereof, the hosting platform

shall remove the listing for the respective property until such time as that property has obtained a valid City license issued in accordance with this chapter.

**§ 5.08.120 Violations.**

A. Misdemeanors. Any violation of this chapter is a misdemeanor punishable in the manner provided for by Section 1.01.190 of this Code. Violations include, but are not limited to, the following:

1. Rental, listing, offering, or advertising for rental of a dwelling unit located on any property within the City by the owner of the property as a short-term vacation rental without a license authorizing such use that has been approved and issued in the manner required by this chapter;
2. Failure of the owner of a short-term vacation rental issued a license in the manner required by this chapter or the owner's designated agent to respond to a nuisance complaint arising out of the occupancy and use of the short-term rental by a tenant, or the tenant's visitors or guests in the manner and within the time required by a nuisance response plan approved by the license administrator incident to the issuance of such license;
3. Failure of the owner of a short-term vacation rental issued a license in the manner required by this chapter to keep a response plan required by the chapter on file with the license administrator containing the name of the current person or persons responsible for responding to a nuisance complaint within the time required by this chapter;
4. Failure of the owner of a short-term vacation rental issued a license in the manner required by this chapter to keep a valid surety bond required by this chapter on file with the license administrator at all times such license remains in effect;
5. Listing, offering, or advertising for rent a short-term vacation rental without including in the listing, offer, or advertisement the City license number applicable to the property in the form "License No. \_\_\_\_\_" with the license number displayed or printed in the same size type as the largest type used in the offer or advertisement; or
6. Failure to comply with or cause compliance with any performance standard listed in this chapter.

B. License Suspension. The accrual of three of the above-mentioned violations within a 12-month timeframe will result in the suspension of the Short-Term Vacation license for the property. Property owners may reapply following the 24-month suspension period.

Exhibit A: Amended Section 5.08 of the Goleta Municipal Code

- C. Fines. Notwithstanding anything to the contrary in any other provision of this Code, the City Council may authorize fines for misdemeanors, infractions, and administrative citations specific to violations of this chapter, in the maximum amounts and to the maximum extent allowed by law.
- D. Other Remedies. Nothing in this section prevents the City from pursuing compliance with this chapter through administrative enforcement or a civil action in addition to, or in lieu of, charging the violator with a misdemeanor or infraction.

**§ 5.08.130 Owner Monthly Reporting and Remittance Requirements.**

- A. An owner of a licensed short-term vacation rental must submit to the license administrator by the 15th day of each month a report, in the manner and form approved by the license administrator, setting forth: (1) the number of nights in which the short-term vacation rental was rented in the preceding month, including the respective number of nights in which it was rented through any and all hosting platforms, and the respective rates for each night; and (2) the amount of TOT or TBID revenues required to be collected by the owner, in accordance with all applicable laws and regulations, for each night in which the short-term vacation rental was rented in the preceding month, if not collected through a respective hosting platform.
- B. In the event TOT or TBID revenues are not collected through a hosting platform, an owner must report and remit such revenues for the preceding month by the 15th day of each month. For example, on the 15th day of April, an owner shall report and remit any and all TOT and TBID revenues required to be collected, in accordance with all applicable laws and regulations, for each night in the month of March in which the short-term vacation rental was rented.

**§ 5.08.140. Limitation on Number of Non-Hosted Nights Per Year.**

Non-hosted STVR's are limited to be rented out a maximum of 120 cumulative nights per calendar year per property.

## **ATTACHMENT 2**

Chapter 5.08 of the Goleta Municipal Code Showing Track-Changes Edits Based on the Proposed Ordinance Compared to the City's Current STVR Regulations (For Reference Purposes Only)

## **Chapter 5.08: Short-Term Vacation Rentals**

### **§ 5.08.010. Authority and Purpose.**

This chapter is adopted pursuant to the police powers of the City for the purpose of requiring the owner or owners of a residential dwelling unit that is used as a short-term vacation rental, as defined herein, to apply for and secure a license authorizing such use in the manner provided for by this chapter. The City seeks to facilitate short-term vacation rentals while promoting responsible visitor and operator behavior and protecting the long-term residential character of its neighborhoods.

### **§ 5.08.020 Definitions.**

The definitions set forth in this section shall govern the meaning and construction of the words and phrases used in this chapter, except where the context of such words and phrases clearly indicates a different meaning or construction:

**“Hosting platform”** means a person or entity who participates in short-term vacation rentals by collecting or receiving a fee, directly or indirectly through an agent or intermediary, for conducting a booking transaction using any medium of facilitation. Examples include, but are not limited to, VRBO.com, Airbnb.com, homestay.com, and other internet and non-internet based services that facilitate bookings for a fee.

**“License administrator”** means the City Finance Director or such other City employee as may be designated by the City Manager to administer the provisions of this chapter. The license administrator shall have the authority to make interpretations and to promulgate guidelines in order to facilitate orderly administration of this chapter.

**“Owner of a short-term vacation rental,” “owner,” or “host”** means the person or persons holding fee title to a dwelling unit operated and used as a short-term vacation rental, or a person or persons holding the lease estate to a dwelling unit and operating and using the leased dwelling unit as a short-term vacation rental, or the agents of any such persons.

**“Short-term vacation rental”** means a dwelling unit other than a dwelling unit located in a hotel, as those terms are defined in this Code, that is rented to a tenant for a period of not more than 30 consecutive days.

**“Hosted Short-Term Vacation Rental”** means a short-term vacation rental of a single room or sleeping area within a residential dwelling, where the property owner or long-term tenant remains in residence for the duration of the short-term vacation rental.

**“Non-Hosted Short-Term Vacation Rental”** means a short-term vacation rental of an entire dwelling unit, where the short-term renter has sole access to the dwelling

Attachment 2: Chapter 5.08 of the Goleta Municipal Code Showing Track-Changes Edits Based on the Proposed Ordinance Compared to the City's Current STVR Regulations (For Reference Purposes Only)

unit and the primary resident or homeowner is not present through the duration of the rental.

**§ 5.08.030 License Required.**

A. No owner or owners of a short-term vacation rental shall rent, offer to rent, or advertise for rent a short-term vacation rental to another person without a license approved and issued in the manner provided for by this chapter.

B. Any valid short-term vacation rental license that is issued under this chapter before August 17, 2023 is considered a short-term vacation rental license under this chapter.

C. A short-term vacation rental license shall be valid until December 31 in the year in which it is first issued and upon renewal it is valid for a period of one year from January 1 through December 31 of each year, unless sooner revoked. A license under this section does not confer any rights to any person for more than the above-referenced period.

D. No short-term vacation rental license shall be renewed automatically. It shall be the responsibility of the host to renew the license prior to the end of each calendar year and submit an updated application or renewal form and any applicable fee at least 30 days prior to the expiration date of the license. Upon timely submission of renewal, the license will remain effective until the license is renewed or denied. Failure to timely submit an application and renewal fee for renewal of an existing license may be deemed operating without a license and in violation of this chapter, upon expiration of the then-issued license or unless sooner revoked. Applications for renewal shall be in a form required by the license administrator and include updates of all information required or submitted for the license.

E. A short-term vacation rental license shall be issued only to the specific person listed on the application.

F. A short-term vacation rental license may not be transferred from one person to another. A short-term vacation rental license does not run with the land. Except as provided in Goleta Municipal Code Sections 5.01.300 and 5.01.310, any change to the organizational structure of the owner or any change of ownership of the short-term vacation rental requires a new short-term vacation rental license.

**§ 5.08.040 License Applications.**

Applications for a license required by this chapter shall be submitted by an owner, or an agent authorized on behalf of the owner to submit an application on their behalf, in a form and contain the information required by the license administrator, and shall be accompanied by the following:

A. A nuisance response plan containing the information required by this chapter;

Attachment 2: Chapter 5.08 of the Goleta Municipal Code Showing Track-Changes Edits Based on the Proposed Ordinance Compared to the City's Current STVR Regulations (For Reference Purposes Only)

B. A transient occupancy registration certificate issued by the City Finance Director pursuant to Chapter 3.06 of the Goleta Municipal Code;

C. A surety bond in the amount of \$1,500.00 issued by a responsible surety company and in the form required by this chapter;

D. A license application fee in an amount established in the manner provided for by this chapter;

E. A written declaration affirming that, at least 30 days prior to issuance of the license, occupants of all residences and businesses located within 200 feet from the proposed short-term vacation rental have been notified of the proposed license and have been informed in writing in a form acceptable to the City of the proposed use and the contact information with the City to seek additional information or register concerns or objections; and

F. Such other information and/or additional forms as deemed necessary by the license administrator or other department to which the application for a license is referred. Notice of issuance of the license shall be provided to everyone who files a written request for such notice.

**§ 5.08.050 License Fees.**

All license application fees, including any renewal application, and the fees charged incident to the amendment of a nuisance response plan shall be established by the City Council.

**§ 5.08.055 Licensed Occupancy.**

Every license issued by the City shall specify the maximum number of overnight occupants allowed at the short-term vacation rental and the maximum number of vehicles associated with the overnight occupancy of the short-term vacation rental which can be parked at the property.

**§ 5.08.060 Nuisance Response Plans.**

A. Each nuisance response plan accompanying an application for a license required by this chapter shall contain the following information and otherwise be in a form required by the license administrator:

1. The mailing address and telephone number of the owner or owners of the residential dwelling unit or units to be used as a short-term vacation rental pursuant to the license.

Attachment 2: Chapter 5.08 of the Goleta Municipal Code Showing Track-Changes Edits Based on the Proposed Ordinance Compared to the City's Current STVR Regulations (For Reference Purposes Only)

2. The name, address and telephone number of the person or persons who will be available by telephone, and who will be responsible for promptly responding to or causing a prompt response to a nuisance complaint arising out of the occupancy or use of the short-term rental(s) by tenants, their visitors and/or their guests. For the purposes of this chapter, a return telephone call to a complainant within 30 minutes of the initial complaint shall be deemed "prompt."
    - a. No more than a total of three persons shall be designated in the response plan as a person responsible for responding to or causing a response to a nuisance complaint; and
    - b. Only one such person shall be designated as the person responsible for responding to a nuisance complaint during any particular hours of the day, different days in a week, and/or different weeks of the year.
  3. The manner of responding to or causing a response to a nuisance complaint, including, but not limited to, the manner in which the complainant or complainants will be notified of the response and the method of documenting prompt responses and timely corrective action.
  4. The manner of assuring timely corrective action to remedy the conditions that caused the nuisance complaint. For the purposes of this chapter, "timely corrective action" shall include, at a minimum, a telephone call to the primary adult occupant of the short-term vacation rental within 30 minutes of the initial nuisance complaint.
  5. The proposed maximum number of overnight occupants, with supporting documentation identifying unusual size, interior layout, parking or other physical characteristics, if any, that support a request for occupancy greater than two persons per bedroom, plus two additional persons.
  6. The number of off-street parking spaces and number of bedrooms available at the short-term vacation rental.
- B. At any time, the owner or owners of a short-term vacation rental may change the content of the nuisance response plan approved incident to the issuance of the license by filing an amended response plan with the license administrator. Such amended response plan shall contain all of the information and be in the form required by this section and shall be accompanied by an amended response plan fee in an amount established in the manner provided for by this chapter.

**§ 5.08.070 Notice of Nuisance Response Plans.**

Promptly following the approval and issuance of a license required by this chapter, or the approval of an amended nuisance response plan in the manner provided for by this chapter, the license administrator shall require the applicant to provide proof that the

Attachment 2: Chapter 5.08 of the Goleta Municipal Code Showing Track-Changes Edits Based on the Proposed Ordinance Compared to the City's Current STVR Regulations (For Reference Purposes Only)

nuisance response plan has been mailed by first class mail addressed to the owner or occupant of every property, any part of which is located within a 200-foot radius of the property that is to be used and occupied as a short-term vacation rental, pursuant to such license.

**§ 5.08.080 Approval of License—Grounds for Denial, Suspension or Revocation.**

- A. Upon receipt of an application for a license required by this chapter, the license administrator will review the application and supporting documents and will approve and issue a license to the owner or owners of the property that is the subject of the application that authorizes the use and occupancy of such property as a short-term vacation rental if the license administrator finds that the required application fee has been paid, that the requirements of the short-term vacation rental license application as set forth in this chapter have been satisfied, and that the nuisance response plan and surety bond submitted with the application conform to the City's requirements.
- B. Notwithstanding subsection A of this section:
1. The license administrator is hereby authorized to promulgate written requirements relating to operations of short-term vacation rentals to implement the intent of this chapter and may amend them from time to time as the license administrator deems appropriate. Those requirements shall include, but are not limited to, the performance standards, as set forth in Section 5.08.085. Non-compliance with those requirements and standards may result in revocation of a license, as determined by the license administrator, in consultation with the City Attorney, and shall be conducted pursuant to the procedures as further set forth in this chapter.
  2. A license shall be denied if a short-term vacation rental license issued to the applicant or for the property has been suspended or revoked in the prior 24 months.
  3. A license shall be denied if the residential dwelling unit proposed as a short-term vacation rental was established through Section 17.07.040(B).
  4. A license application shall not be processed while an enforcement action by the City for violations of this chapter or any section of the Municipal Code is pending unless the approval is required to resolve the enforcement action.
  5. No license shall be renewed unless all City fees and taxes owed by the applicant are paid in full, including the renewal fee.
  6. A license for a non-hosted short-term vacation rental shall be denied if the dwelling unit proposed for the short-term vacation rental was subject to a no-fault eviction in the 24 months prior to the submission of the short-term vacation rental license application.

Attachment 2: Chapter 5.08 of the Goleta Municipal Code Showing Track-Changes Edits Based on the Proposed Ordinance Compared to the City's Current STVR Regulations (For Reference Purposes Only)

~~5.7.~~ A license for a non-hosted short-term vacation rental shall be denied if the parcel on which the short-term vacation rental is proposed was purchased in the 24 months prior to the submission of the short-term vacation rental license application.

C. A short-term vacation rental license shall only be issued for a property owned by an individual or a personal trust. No short-term vacation rental license shall be issued to any business entity, including a corporation, a limited liability company, or any form of business trust.

~~C.D.~~ In addition to any other remedy provided by this chapter, a license issued pursuant to this chapter may be suspended, modified, or revoked for a violation of this chapter, for a violation of any other law on the premises of the short-term vacation rental, or for the maintenance of such other condition as may be shown to be injurious to the public health and safety. Revocation proceedings may be initiated by the City Manager or City Attorney and shall be conducted pursuant to the procedures set forth in Section 1.02.110 of this Code.

**§ 5.08.085 Performance Standards.**

Each owner, and each tenant or occupant of a short-term vacation rental, shall at all times comply with or cause compliance with the performance standards applicable to short-term vacation rentals they own, lease or occupy, as established by this section.

- A. The owner shall ensure that the short-term vacation rental complies with all current applicable codes regarding fire, building and safety, and all other relevant laws and ordinances.
- B. No person shall list, offer to rent, or advertise for rent a short-term vacation rental without including in the listing, offer, or advertisement the City license number applicable to the short-term vacation rental property in the form "Goleta License No. \_\_\_\_\_." The license number shall be displayed or printed in the same size type as the largest type used in the main body of the offer or advertisement.
- C. The owner shall require the primary overnight and daytime occupant of the short-term vacation rental to be an adult 18 years of age or older. This adult shall provide a telephone number to the owner and shall be accessible to the owner by telephone at all times.
- D. Prior to occupancy, the owner shall obtain the name, address, and driver's license number or a copy of the passport of the primary adult occupant of the short-term vacation rental. The owner shall require that adult to sign a formal acknowledgement that he or she is legally responsible for compliance of all occupants of the short-term

Attachment 2: Chapter 5.08 of the Goleta Municipal Code Showing Track-Changes Edits Based on the Proposed Ordinance Compared to the City's Current STVR Regulations (For Reference Purposes Only)

vacation rental or their guests with all provisions of this chapter. This information shall be provided by the responsible party identified in the nuisance response plan upon request of any police officer or employee of the City authorized to enforce this chapter or State law.

- E. The owner shall limit overnight occupancy of the short-term vacation rental to a specific number of occupants, with the maximum number of overnight occupants being two persons per bedroom, plus two additional persons.
- F. The owner shall limit the number of vehicles associated with the overnight occupancy of the short-term rental to a specific number of vehicles, with the maximum number of vehicles being the number of off-street parking spaces available at the property.
- G. Trash and refuse shall not be left stored within public view, except in proper containers for the purpose of collection on scheduled trash collection days. The owner of the short-term vacation rental shall provide sufficient trash collection containers and service to meet the demand of the occupants.
- H. Each lease or rental agreement for a short-term vacation rental shall include the following terms, notifications and disclosures, which terms shall also be posted in a conspicuous location inside the unit:
  - 1. The maximum number of overnight occupants and day use visitors that are permitted.
  - 2. The maximum number of vehicles that overnight occupants may park at the short-term rental.
  - 3. Notification that on-street parking is extremely limited in some areas of the City.
  - 4. The trash pick-up day and applicable rules and regulations pertaining to leaving or storing trash or refuse on the exterior of the property.
  - 5. Notification that the occupant may be cited or fined by the City and/or immediately evicted by the owner pursuant to State law, in addition to any other remedies available at law, for violating any other provisions of this chapter.
  - 6. Notification that failure to conform to the occupancy requirements of the short-term vacation rental is a violation of this chapter.
  - 7. Notification that amplified sound, including radios, televisions and other electronic devices are subject to the City's Noise Ordinance as set forth in Goleta Municipal Code Section 9.09.020.

Attachment 2: Chapter 5.08 of the Goleta Municipal Code Showing Track-Changes Edits Based on the Proposed Ordinance Compared to the City's Current STVR Regulations (For Reference Purposes Only)

8. A prohibition on illegal loud parties, along with notification of the City's right to recover the costs of special enforcement needed to address certain loud parties.
  9. The name of the managing agency, agent, rental manager, local contact person, or owner of the unit, and a telephone number at which that party may be reached at all times.
  10. A copy of the "Good Neighbor Guidelines" which may from time to time be prepared by the license administrator. These guidelines may include location-specific information, such as neighborhood quiet hours, local speed limits and the prohibition of fires and fireworks in beach areas.
  11. Notification that the property is part of the City of Goleta's Short-Term Vacation Rental Program.
  12. A copy of this chapter of the Goleta Municipal Code, as it may be amended from time to time.
- I. Upon receipt of a nuisance complaint or upon notification of an allegation that any occupant or guest of the short-term vacation rental has created unreasonable noise or disturbances, engaged in disorderly conduct, or committed violations of the Goleta Municipal Code or any State law, the owner shall promptly respond and take timely corrective action to prevent a recurrence of such conduct by those occupants or guests. Failure of the owner to respond promptly or to take timely corrective action regarding the condition, operation, or conduct of occupants of the short-term vacation rental shall be a violation of this chapter. An owner is not required or authorized to act as a peace officer or to intervene in situations that pose a risk to personal safety. The owner, or his or her agent, shall maintain records of the name, violation, date, and time of each complaint, disturbance, response and corrective action.
  - J. The owner shall cause a copy of the nuisance response plan to be posted in a conspicuous place within the property.
  - K. The owner shall annually provide to the license administrator written confirmation of compliance with all elements of the performance standards and the approved nuisance response plan and confirming that the nuisance response plan is current and accurate.

The performance standards may be modified by the license administrator upon request of the owner based upon site-specific circumstances for the purpose of allowing reasonable accommodation of a short-term vacation rental occupant as may be required by State or Federal disability laws. All requests must be in writing and shall identify how the strict application of the standard conditions creates an unreasonable hardship to a

Attachment 2: Chapter 5.08 of the Goleta Municipal Code Showing Track-Changes Edits Based on the Proposed Ordinance Compared to the City's Current STVR Regulations (For Reference Purposes Only)

property such that, if the requirement is not modified, reasonable use of the property for a short-term vacation rental would not be allowed.

**§ 5.08.090 Appeals.**

Any party may file a written request with the City Clerk for a hearing before the City Manager within 10 days following a decision by the license administrator to grant, deny, suspend, or revoke a short-term vacation rental license. All appeals must be accompanied by payment of the required fee established by City Council resolution. The public shall be provided notice of the hearing consistent with the requirements of this Code. The hearing shall be opened no more than 45 days following the request for hearing being received by the City. A decision shall be made by the City Manager or designee within 10 days of the hearing. The decision of the City Manager or designee shall be final.

**§ 5.08.100 Surety Bonds.**

- A. Each surety bond accompanying an application for a license required by this chapter shall be issued by a surety licensed to do business in the State of California that has an A.M. Best Financial Strength Rating of at least "A-", shall name the City as the bond obligee, and shall be conditioned on the payment of any administrative fine assessed in the manner provided for by Chapter 1.02 of this Code within the time provided for therein if:
  - 1. The administrative fine was assessed either against the licensee or against any tenant or other person occupying or using the short-term vacation rental operated pursuant to such license; and
  - 2. The administrative fine arose out of a violation of this chapter, or the occupancy or use of such short-term vacation rental in a manner that violated any provision of this Code.
  
- B. At any time following the issuance of a license required by this chapter, the licensee may file a substitute surety bond with the license administrator issued by a surety that meets the requirements of this section. Upon determining that such substitute bond conforms to such requirements, the license administrator shall return the bond being replaced by the substitute surety bond to the licensee.

**§ 5.08.110 Cessation of Use of a Property as Short-Term Vacation Rental.**

Where the owner of property used and occupied as a short-term vacation rental pursuant to a license approved and issued in the manner provided for by this chapter determines to cease such use, the property owner shall promptly cause a notice of such determination to be filed with the license administrator. Within 30 days following confirmation that there are no pending enforcement actions arising from violations of this chapter, the license administrator shall return the surety bond provided to the City to the licensee.

Attachment 2: Chapter 5.08 of the Goleta Municipal Code Showing Track-Changes Edits Based on the Proposed Ordinance Compared to the City's Current STVR Regulations (For Reference Purposes Only)

**§ 5.08.115 Hosting Platform Responsibilities.**

- A. A hosting platform must have a current, valid business license from the City to facilitate any booking for a short-term vacation rental within the City.
- B. A hosting platform that facilitates bookings for any short-term vacation rental in the City shall provide a mandatory field in which a host or owner must enter a City license number applicable to the property (as required by this chapter), in the form "Goleta License No. \_\_\_\_\_," prior to listing a short-term vacation rental on its platform. The hosting platform shall cause the license number applicable to the property to be visible to any person viewing the listing for the specified property.
- C. Before allowing a host to list a short-term vacation rental on its platform, a hosting platform shall advise the host of the following:
  - 1. The City regulates short-term vacation rentals. Short-term vacation rentals are only allowed in accordance with Chapter 5.08 of the Goleta Municipal Code.
  - 2. A short-term vacation rental in Goleta is only legal if the owner has a valid license from the City.
  - 3. The host must provide a valid City license for the short-term vacation rental in the listing, or the listing must be taken down.
  - 4. Failure to provide a valid City license with the listing may also subject the host to civil and criminal enforcement action by the City, in addition to restrictions by the hosting platform.
- D. Subject to all applicable laws, hosting platforms shall, upon written request by the City, promptly disclose to the City each short-term vacation rental listing located in the City, the contents of the City license number field, the host ID, listing ID, names of the persons responsible for each such listing, the address of each such listed property, the length of each stay for each such listing (with dates), and the price paid for each stay.
- E. If, in the course of facilitating a booking transaction, a hosting platform collects rent from a tenant, the hosting platform must also collect and at least monthly remit the following to the City:
  - 1. Transient occupancy tax in accordance with Chapter 3.06 of this Code; and
  - 2. South Coast Tourism Business Improvement District assessments in accordance with Resolution No. 22-12, to the extent permitted by law.

Attachment 2: Chapter 5.08 of the Goleta Municipal Code Showing Track-Changes Edits Based on the Proposed Ordinance Compared to the City's Current STVR Regulations (For Reference Purposes Only)

In the event a hosting platform does not collect rent from a tenant, the hosting platform must display the applicable transient occupancy tax.

- F. In the event a listing does not display a valid City license issued in accordance with this chapter, the City shall provide notice to the applicable hosting platform of the non-compliant listing. Within seven business days thereof, the hosting platform shall remove the listing for the respective property until such time as that property has obtained a valid City license issued in accordance with this chapter.

**§ 5.08.120 Violations.**

- A. Misdemeanors. Any violation of this chapter is a misdemeanor punishable in the manner provided for by Section 1.01.190 of this Code. Violations include, but are not limited to, the following:
1. Rental, listing, offering, or advertising for rental of a dwelling unit located on any property within the City by the owner of the property as a short-term vacation rental without a license authorizing such use that has been approved and issued in the manner required by this chapter;
  2. Failure of the owner of a short-term vacation rental issued a license in the manner required by this chapter or the owner's designated agent to respond to a nuisance complaint arising out of the occupancy and use of the short-term rental by a tenant, or the tenant's visitors or guests in the manner and within the time required by a nuisance response plan approved by the license administrator incident to the issuance of such license;
  3. Failure of the owner of a short-term vacation rental issued a license in the manner required by this chapter to keep a response plan required by the chapter on file with the license administrator containing the name of the current person or persons responsible for responding to a nuisance complaint within the time required by this chapter;
  4. Failure of the owner of a short-term vacation rental issued a license in the manner required by this chapter to keep a valid surety bond required by this chapter on file with the license administrator at all times such license remains in effect;
  5. Listing, offering, or advertising for rent a short-term vacation rental without including in the listing, offer, or advertisement the City license number applicable to the property in the form "License No. \_\_\_\_\_" with the license number displayed or printed in the same size type as the largest type used in the offer or advertisement; or

Attachment 2: Chapter 5.08 of the Goleta Municipal Code Showing Track-Changes Edits Based on the Proposed Ordinance Compared to the City's Current STVR Regulations (For Reference Purposes Only)

6. Failure to comply with or cause compliance with any performance standard listed in this chapter.

B. License Suspension. The accrual of three of the above-mentioned violations within a 12-month timeframe will result in the suspension of the Short-Term Vacation license for the property. Property owners may reapply following the 24-month suspension period.

B.C. Fines. Notwithstanding anything to the contrary in any other provision of this Code, the City Council may authorize fines for misdemeanors, infractions, and administrative citations specific to violations of this chapter, in the maximum amounts and to the maximum extent allowed by law.

C.D. Other Remedies. Nothing in this section prevents the City from pursuing compliance with this chapter through administrative enforcement or a civil action in addition to, or in lieu of, charging the violator with a misdemeanor or infraction.

**§ 5.08.130 Owner Monthly Reporting and Remittance Requirements.**

- A. An owner of a licensed short-term vacation rental must submit to the license administrator by the 15th day of each month a report, in the manner and form approved by the license administrator, setting forth: (1) the number of nights in which the short-term vacation rental was rented in the preceding month, including the respective number of nights in which it was rented through any and all hosting platforms, and the respective rates for each night; and (2) the amount of TOT or TBID revenues required to be collected by the owner, in accordance with all applicable laws and regulations, for each night in which the short-term vacation rental was rented in the preceding month, if not collected through a respective hosting platform.
- B. In the event TOT or TBID revenues are not collected through a hosting platform, an owner must report and remit such revenues for the preceding month by the 15th day of each month. For example, on the 15th day of April, an owner shall report and remit any and all TOT and TBID revenues required to be collected, in accordance with all applicable laws and regulations, for each night in the month of March in which the short-term vacation rental was rented.

**§ 5.08.140. Limitation on Number of Non-Hosted Nights Per Year.**

Non-hosted STVR's are limited to be rented out a maximum of 120 cumulative nights per calendar year per property.

**ATTACHMENT 3**

City Council Short-Term Vacation Rental and Underused Housing Stock Staff Report,  
Dated May 20, 2025 (except the Staff Presentation)



**TO:** Mayor and Councilmembers

**SUBMITTED BY:** Peter Imhof, Planning and Environmental Review Director

**PREPARED BY:** Anne Wells, Advance Planning Manager  
Andy Newkirk, Supervising Planner  
Molly Cunningham, Assistant Planner

**SUBJECT:** Short-Term Vacation Rental and Underused Housing Stock  
(Implementation of Housing Element Subprograms HE 1.7 and 1.8)

**RECOMMENDATION:**

Receive a presentation on Short-Term Vacation Rentals and Underused Housing Stock and provide recommendations on changes to pursue, if any, in how the City regulates Short-Term Vacation Rental and Underused Housing Stock.

**BACKGROUND:**

The City adopted the Housing Element 2023-2031 on December 5, 2023, which was subsequently certified by the California Department of Housing & Community Development (HCD) on February 5, 2024. The Housing Element 2023-2031 includes goals, policies, quantified objectives, financial resources, and scheduled programs for the preservation, improvement, and development of housing. The Housing Element 2023-2031 contains an “Eight-Year Action Plan” that lays out the timeline for program implementation.

Two Housing Element 2023-2031 subprograms that were identified for implementation early in the Eight-Year Action Plan are:

- HE 1.7 Monitor and Address Impact of Short-Term Vacation Rentals (STVRs) on Existing Housing Stock
- HE 1.8 Research Impact of Underused Housing Stock

Subprogram HE 1.7 states, in part, “The City shall consider additional regulations to address identified issues regarding impacts of STVRs on residential neighborhoods and the City’s existing housing stock.” STVR research and ordinance amendments are a work priority assigned by City Council in the Fiscal Year 2024-2025 and 2025-2026 Annual Work Programs for the Planning and Environmental Review Department.

Currently, the City regulates STVRs through specific business license requirements found in Chapter 5.08 (Short-Term Vacation Rentals) of the Goleta Municipal Code (GMC). STVRs are also mentioned in the City's zoning regulations, Title 17 of the GMC, which states that "[n]o Zoning Permit is required for short-term vacation rentals" and there are no specific zoning standards for STVRs and no specific zoning districts where STVRs are or are not allowed (see GMC subsection 17.41.240).

The City most recently updated the STVR regulations in Chapter 5.08 on July 18, 2023, to increase efficiency and effectiveness of the City's short-term rental STVR permitting process, gain a more accurate accounting of the number of STVR units in Goleta, and begin to analyze the impact of STVRs on the local housing market. Among other things, the amendments included provisions to expressly acknowledge that the City may enter into agreements with STVR online platforms and outlined expected obligations for STVR platforms. After adoption of the amendments, Finance Department staff accrued accurate data about the locations of unlicensed STVR operators to better understand the nature of their STVR activities, which required working with the hosting platforms. This effort serves as a foundation for implementing subprogram HE 1.7.

Subprogram HE 1.8 states that "the City shall research the use of existing housing stock for purposes other than a primary residence. Based on this research, the City shall identify methods to address any issues identified during the research and take appropriate action where legally possible."

City staff contracted with Bay Area Economics (BAE) to support the City's implementation of Housing Element 2023-2031 subprograms HE 1.7 and 1.8. As part of that contract, BAE was tasked with reviewing trends in STVR and hotel occupancy and pricing; analyzing the local housing market composition and utilization; estimating the impacts of visitor spending on induced workforce housing needs; and reviewing approaches to STVR and other non-resident use of housing regulations in other communities. Based on the analysis conducted, BAE prepared an STVR and Underused Housing Stock Study (Study), provided as Attachment 1, including key findings and possible solutions to address current issues and prevent reasonably anticipated future problems related to STVRs and underused housing.

On March 10, 2025, City staff and the consultant team presented a summary of the Study to the Planning Commission. A summary of the Planning Commission feedback is provided at the end of the Discussion below.

## **DISCUSSION:**

### **Short-Term Vacation Rentals and Underused Housing Stock Study**

The Study includes an analysis of the local STVR and seasonal vacancy market to assess the extent to which there may (or may not) be a significant loss of existing permanent housing. The Study also includes research into the use of existing housing stock for purposes other than a primary residency and quantified loss of existing permanent housing, as well as provides recommended methods for addressing issues identified.

The following key findings were made in the Study:

- **The City of Goleta has a comparatively low share of “seasonal” vacant housing units compared to the City of Santa Barbara and Santa Barbara County.** Approximately 0.7 percent of housing stock in the City served as a seasonal use in 2022 (93 units). This share compares to 2.5 percent in the City of Santa Barbara and 2.6 percent of housing units in Santa Barbara County.
- **Not all housing units in the City of Goleta classified as “seasonal units” are necessarily being used as STVRs.** There were approximately 73 booked STVR listings in 2022, according to data from AirDNA. This data indicates that seasonal units are not limited to STVR uses.
- **Not all permitted STVRs are necessarily “seasonal” housing units. Instead, some are owner-occupied homes that list extra bedrooms on hosting platforms.** As of August 2024, 23 percent of the City’s STVR listings were not “entire place” listings, but instead were for private rooms within larger units. Additionally, 54 percent of STVRs in the City are available for 90 nights or less per year. This data indicates that a sizable portion of the City’s permitted STVR market is likely to be “incidental,” in which the homeowner actually uses the property by occupying it either full or part-time, and rents it short-term for a relatively small portion of the year to help offset costs.
- **Impact of STVRs on Housing Stock.** The City’s functional vacancy rate (available for immediate occupancy) averaged 2.2 percent between 2018 and 2022. This rate represents a highly constrained housing market. The presence of STVRs in the housing market is not likely to be a significant driver of the observed shortage of available long-term housing in the City, although it does likely make a marginal contribution.
- **Prevalence of Underused Housing Stock.** “Seasonal or occasional use” accounts for 0.7 percent of housing units in the City and “Other vacant” accounts for 2.2 percent of all housing units. By these measures, approximately 2.9 percent of housing units in the City could be considered “underutilized,” a relatively low percentage of Goleta’s housing units. With a relatively small number of active STVRs in Goleta, second home activity appears to be a slightly larger driver of housing vacancy than short-term renting.

### *Study Recommendations*

The Study presents 20 recommendations for consideration by the City to help implement Housing Element 2023-2031 subprograms HE 1.7 and 1.8. The recommendations are intended to provide the City with a menu of possible strategies and are based on best practices utilized in other jurisdictions. The recommendations are split between HE Program 1.7 and 1.8, but many recommendations broadly apply to both programs. The recommendations are organized by topic area and are summarized below.

## ***STVR Recommendations (HE Program 1.7)***

### Administrative and Process Updates

The following recommendations in the Study are intended to enhance administrative procedures, as well as increase the amount and quality of data collected on STVRs:

1. Update the definition of an STVR and other related uses in the Municipal Code (such as hosted vs. non-hosted).
2. Collect additional attribute data when issuing licenses (such as the number and type of units on the property; number of bedrooms, beds, maximum allowed capacity (persons), and dedicated parking spaces). Note that these data could be required through the online application process.
3. Update data collection.
4. Maintain and update annual relicensing procedures.
5. Create an STVR property search tool.

Staff supports recommendation 1 as part of any regulatory changes (see City Council Direction section below). City staff also support recommendations 2-5 and would implement them as warranted and in consideration of staffing and budget limitations.

### Update STVR Eligibility Standards

The following recommendations in the Study are intended address the influence of STVRs on the long-term housing market and would likely be implemented through a combination of changes to Title 5 of the GMC.

6. Prohibit, for a time, short-term renting of properties recently subject to a no-fault eviction.
7. Establish an STVR permit waiting period for new home purchases of at least one year following the purchase of a residential property.
8. Implement enhanced enforcement penalties.

Staff supports recommendations 6 and 7 but notes the importance of only applying such limitations on non-hosted STVRs (see also recommendation 17). Staff supports recommendation 8.

### Limit the Number and Type of STVRs

The following recommendations in the Study facilitate management of the tourist accommodations inventory and address the influence of STVRs on the long-term housing market. Specific recommendations for this topic include:

9. Limit the total number of STVRs at any given time.

10. Create a mechanism to reduce allowed permits when directed by City Council.

Should City Council want to move forward with greater regulation of STVRs, staff does not recommend recommendations 9 and 10 when considering other options, such as recommendation 16, below.

#### Geographic Targeting and Density Limits

The following recommendations in the Study consider steps to discourage the overconcentration of STVRs while ensuring the availability of tourist accommodations in desirable locations. The recommendations are as follows:

11. Apply different standards/allowances within specific geographic areas.
12. Establish STVR density standards that establish a minimum distance between permitted STVR units, or a maximum share of units within a certain defined area.

Should City Council want to move forward with greater regulation of STVRs, staff does not recommend recommendations 11 and 12 when considering other options, such as recommendation 16, below.

#### ***“Underused” Housing Recommendations (HE Program 1.8)***

13. Update definitions, see Recommendation 1 above.
14. Establish Code provisions regarding fractional ownership and timeshares. Note that the City regulates timeshares as a visitor-serving commercial use under Title 17 of the GMC and including fractional ownership models with timeshares would limit such uses to commercially zones properties.
15. Create a registry for leases of 31 to 90 days, consider requiring property owners and managers to declare these rentals, and notify the City in the event that the rental is cancelled.
16. Establish a maximum number of nights per year that a non-hosted STVR may be rented.
17. Consider fewer restrictions on hosted STVRs.

Should City Council want to move forward with greater regulation of STVRs, staff supports recommendations 13, 14, 16, and 17. Staff also supports recommendation 15 to discourage the illegal avoidance of STVR regulations, as well as gather additional data on the possible presence of the “mid-term” rental market.

### ***Other Recommendations***

The following recommendations in the Study consider implementing related actions not directly associated with STVR regulations, but that have a significant bearing on the City's tourist accommodations industry, as well as the balance between workforce wages and the availability and adequacy of regional housing resources. Specific recommendations for this topic include:

18. Market and enforce the "Good Neighbor Guidelines."
19. Take steps to encourage development of new tourist accommodations. Note: under Title 17 of the GMC, "Hotels and Motels" are allowed as a permitted use in the Regional Commercial, Community Commercial, and Visitor-Serving Commercial zone districts. "Hotels and Motels" are also allowed with a Major Conditional Use Permit in the Old Town Commercial zone district. The City also allows "Hotels and Motels" on one additional parcel in both the Office and Institutional and Business Park zone districts.
20. Take steps to encourage and facilitate construction of a diversity of housing types.

Staff supports recommendation 18 (which is already envisioned in the City's existing STVR regulations). Staff does not believe recommendation 19 warrants implementation at this time based on the allowable locations for "Hotels and Motels." Staff supports recommendation 20 and this effort is ongoing through Housing Element implementation.

### **Planning Commission Feedback**

As noted above, the Planning Commission received a presentation on the Study on March 10, 2025. At this meeting, Planning Commission provided input for City Council consideration. No formal action was taken by Planning Commission, but Planning Commission was generally supportive of moving forward with additional regulations, as detailed in the Study recommendations. One Commissioner noted a preference for simpler rules rather than implementing all of the recommendations. Specific comments focused on the following recommendations:

- Recommendation 6 (Prohibit short-term renting of properties recently subject to a no-fault eviction). One Commissioner noted the importance of this recommendation.
- Recommendation 7 (STVR license waiting period after home purchase). Two Commissioners expressed support for this recommendation but suggested limiting the restriction to non-hosted STVRs.
- Recommendation 8 (Implement enhanced enforcement penalties). One Commissioner noted the importance of coordinating with the Sheriff's Office to ensure the City has documentation of STVR complaints that do not come directly to the City.

- Recommendation 9 (Cap on STVR licenses). One Commissioner expressed support for a cap and suggested it could be tied to a percentage of the City's housing stock. Two Commissioners inquired about capping the number of licenses per legal entity.
- Recommendation 14 (Code provisions regarding fractional ownership and timeshares). One Commissioner expressed support for regulating fractional ownership specifically for highly fractional ownership.
- Recommendation 15 (Registry for leases of 31 to 90 days). One Commissioner expressed concern over this recommendation, noting that some students come to UCSB for a quarter, and this recommendation would require registering that rental. Another Commissioner noted this registry would provide good data, but expressed concern over regulating this rental type, noting the value of month-to-month leases.
- Recommendation 17 (Consider fewer restrictions on hosted STVRs). Two Commissioners expressed support for fewer restrictions for STVRs that are hosted/in a primary residence.
- Recommendation 18 (Enforce good neighbor guidelines). One Commissioner noted the importance of "Good Neighbor Guidelines."
- Recommendation 19 (Encourage development of new tourist accommodations other than STVRs). One Commissioner expressed skepticism about this recommendation based on the current occupancy rate of hotels in the City. This Commissioner also noted the many land use priorities within the City.

Additional comments from individual Commissioners include a suggestion to cap the number of occupants or bedrooms in an STVR and a request that any proposed GMC amendments, even if in Title 5, return to the Planning Commission for input.

### **City Council Direction**

As an initial question, does the Council want staff to move forward with a more robust regulatory approach to STVRs and underused housing?

If so, staff will prepare an ordinance based on the Study recommendations for consideration at a future public hearing consistent with staff's recommendations on the Study recommendations, unless directed otherwise by City Council.

As part of ordinance development, staff would also evaluate whether proposed changes should apply only to newly issued STVR permits, or whether certain changes could or should be applied to existing permitted STVRs (retroactively), subject to legal review.

Council feedback would not commit the City to any specific action in the future but would give staff guidance for the preparation of possible changes to administrative practices

relating to STVRs and/or amendments to Chapter 5.08 and, potentially, Section 17.41.240 of the GMC. Based on City Council input, City staff will return with any necessary amendments to the GMC for consideration at a future public hearing.

**FISCAL IMPACTS:**

This item is to facilitate discussion and receive input, feedback and discussion on the STVRs and underused housing. As such, there is no immediate fiscal impact associated with the discussion.

However, should the City Council direct staff to move forward with ordinance development or implementation of one or more of the Study's recommendations, future actions may require staff resources, legal review, code enforcement support, community outreach, and potential changes to the IT systems. Any fiscal impacts will be identified and brought forward for Council consideration as part of future actions.

**ALTERNATIVES:**

No alternatives are provided as Staff is seeking feedback on the Study recommendations.

**LEGAL REVIEW BY:** Isaac Rosen, City Attorney

**APPROVED BY:** Robert Nisbet, City Manager

**ATTACHMENTS:**

1. Short-Term Vacation Rental and Underused Housing Stock (HE Program 1.7 and 1.8) Study (BAE Urban Economics, January 2025)
2. Staff Presentation

## **Attachment 1**

Short-Term Vacation Rental and Underused Housing Stock (HE Program  
1.7 and 1.8) Study (BAE Urban Economics, January 2025)

bae urban economics

## Short-Term Vacation Rental and Underused Housing Stock Study

Prepared for the City of Goleta

January 2025

# Table of Contents

<b>INTRODUCTION.....</b>	<b>4</b>
Study Purpose .....	4
Study Organization .....	4
Data Sources .....	5
Study Definitions .....	6
Key Study Findings.....	8
<b>TRENDS IN HOTEL AND STVR INVENTORY .....</b>	<b>11</b>
STVR Presence in City of Goleta.....	11
<b>TRENDS IN HOUSING UTILIZATION.....</b>	<b>22</b>
Housing Utilization in City of Goleta .....	22
Housing Vacancy Characteristics .....	23
Housing Occupancy Characteristics.....	24
<b>STVR POLICY IN OTHER COMMUNITIES .....</b>	<b>26</b>
STR Regulations in Peer Communities .....	27
<b>IMPACTS OF VISITOR SPENDING ON WORKFORCE HOUSING .....</b>	<b>37</b>
<b>POLICY RECOMMENDATIONS.....</b>	<b>39</b>
STVR Recommendations (HE Program 1.7) .....	39
“Underused” Housing Recommendations (HE Program 1.8).....	43
Other Related Policy Recommendations .....	44
<b>APPENDIX A: HOTEL TRENDS .....</b>	<b>45</b>
Tourism Economic Contribution .....	45
<b>APPENDIX B: SUPPLEMENTAL HOUSING DATA .....</b>	<b>50</b>

## List of Tables

Table 1: Hotel/Motel Industry Summary, City of Goleta and Santa Barbara County, August 2024 .....	16
Table 2: Vacancy Status by Type, City of Goleta, City of Santa Barbara, and Santa Barbara County, 2010 - 2022 .....	24
Table 3: Housing Occupancy and Vacancy Status, City of Goleta, City of Santa Barbara, and Santa Barbara County, 2010 - 2022 .....	25
Table 4: Policy Summary, Peer Communities .....	27
Table 5: Workforce Housing Demand Induced by New STVRs, City of Goleta, 2023.....	38
Table 6: Residential Multifamily Market Summary by Unit Size, City of Goleta and Santa Barbara County, Q3 2024 .....	53
Table 7: Affordable Homes Rental Rates, Santa Barbara County, 2024.....	54
Table 8: Vacancy Status by Type, CDPS and Cities in Santa Barbara County, 2010 - 2020.....	56

## List of Figures

Figure 1: STVR Permit Status, City of Goleta, August 2024.....	12
Figure 2: Active STVR and Hotels, City of Goleta, August 2024 .....	13
Figure 3: Active STVR Listings, City of Goleta and Santa Barbara County, September 2021 – August 2024 .....	14
Figure 4: Average Number of Unique STVR Listings, City of Goleta, Sept 2021 - August 2024	15
Figure 5: STVR Listings by Size, City of Goleta, August 2024 .....	15
Figure 6: STVR and Hotel Inventory, City of Goleta and Santa Barbara County, August 2024 .	17
Figure 7: Overnight Tourist Accommodations Inventory, City of Goleta, August 2024 .....	18
Figure 8: TOT Revenue, City of Goleta, Fiscal Year 2002/2003 – 2024/2025 .....	19
Figure 9: Average Annual STVR Occupancy and Listings, City of Goleta, 2021 – August 2024	19
Figure 10: Listings by Annual Availability, City of Goleta, August 2024.....	20
Figure 11: Average Daily Rates (ADR) and Revenue Per Available Room Night (RevPAR), City of Goleta, September 2021 – August 2024 .....	21
Figure 12: Average Gross Revenue per STVR by Type, City of Goleta, September 2021 – August 2024.....	21
Figure 13: Housing Stock Utilization, City of Goleta, 2018-22 .....	23
Figure 14: STR Permissibility and Coastal Zone in City of Santa Barbara .....	35
Figure 15: Leisure and Hospitality Jobs as a Share of Total Nonfarm Employment, Santa Barbara County and California, 2000-2023 .....	45
Figure 16: Hotel/Motel Inventory Trends, City of Goleta and Santa Barbara County, January 2000 – August 2024.....	46
Figure 17: 12-Month Average Hotel Occupancy Rate, City of Goleta and Santa Barbara County, March 2000 – August 2024 .....	47
Figure 18: 12-Month Average Hotel ADR and RevPAR, City of Goleta and Santa Barbara County, January 2000 – August 2024 .....	48
Figure 19: Hotel/Motel Market Capitalization Rates, City of Goleta and Santa Barbara County, March 2000 – August 2024 .....	49

# INTRODUCTION

## Study Purpose

This Short-Term Vacation Rental (“STVR”) and Underused Housing Stock Study (“Study”) is intended to help the City of Goleta implement the following Housing Programs identified in its Sixth Cycle Housing Element:

- **HE Program 1.7:** Monitor and Address Impact of Short-Term Vacation Rentals (STVRs) on Existing Housing Stock
- **HE Program 1.8:** Research Impact of Underused Housing Stock

The goal of these two Housing Element Programs is to better understand the ways in which STVRs and Underused (or “seasonal”) housing may or may not be impacting the current housing market in terms of pricing and the availability of housing for residents and workers. To this end, the Study attempts to answer the following questions:

- Does evidence point to a significant loss of existing housing in the City of Goleta due to permitted (and unpermitted) STVR activity?
- What evidence (if any) exists to indicate the extent to which the existing housing stock in the City of Goleta is being used for purposes other than primary residency?
- What policy approaches have other jurisdictions similar to Goleta taken to ensure that STVRs do not adversely impact the availability and pricing of housing for full-time residents?

## Study Organization

This Study is organized into the following sections:

**The STVR Overview** section reviews the current market for STVRs in the City of Goleta, as well as in neighboring Santa Barbara County. The section includes a summary of how STVRs are currently permitted in the City, a rough estimate of how many STVRs are currently operating, and how STVRs function within the regional tourist accommodations market.

**The Housing Utilization** section provides insight into the utilization of residential land use resources in the City of Goleta and Santa Barbara County, and includes data to facilitate comparison between residential vacancy trends, STVRs, and the incidence of underuse. This section includes an emphasis on housing data regarding “seasonal vacancy,” which is defined by the U.S. Census Bureau as vacant housing that is intended for “seasonal, recreational, or occasional use”.

**The Approaches to STVRs in Similar Communities** section includes research regarding STVR regulatory frameworks implemented in other jurisdictions, some of which are more tourist-oriented than Goleta. The section emphasizes potential policy responses that align with the unique characteristics of Goleta’s STVR market, as well as the City’s priorities. The section also includes perspectives from local policy makers regarding what has worked well with their regulatory frameworks and what requires further adjustment and refinement.

**The Impact of Tourism Spending** section estimates demand for workforce housing created as a result of STVR occupancy and associated visitor spending.

Finally, the **Recommendations** section provides local decision-makers with a menu of possible strategies for monitoring and addressing the impact of STVRs and/or underused housing on local housing availability. The recommendations are tailored to the specific context of Goleta, and are based on best practices seen in other jurisdictions.

## Data Sources

Data sources utilized in this Study include the following:

- **City of Goleta Finance Department:** For data related to the City’s current STVR inventory, this Study relies in part on data furnished by the City of Goleta Finance Department, which administers the City’s STVR permitting activities.

Finance Department data includes the current status, as of October 2024, of STVR permits by category (e.g., “Active”, “Expired”, etc.), STVR location, and data self-reported by permit applicants. The Finance Department also provided data related to historic trends in Transient Occupancy Tax (TOT) collection, spanning the period from Fiscal Year (FY) 2002/03 through 2023/24 for traditional hotel/motel lodging, and from FY 2015/16 through 2023/24 for STVRs.

- **AirDNA:** For STVR performance data such as occupancy trends and rental rates over time, as well as comparison with neighboring geographies in the same tourism submarket such as the City and County of Santa Barbara, the analysis relies on data from AirDNA, a private data vendor that includes data for properties listed on Airbnb and VRBO. AirDNA data spans the period from September 2021 through August 2024. It should be noted that AirDNA data may not align with the City’s data in all instances. The scope of the STVR trends analysis is also limited based on the geographies offered by AirDNA.

- **Housing Data:** For data relating to housing stock utilization in the City of Goleta and neighboring geographies, the Study relies on data from the Decennial Census, as well as data from the 2018-2022 U.S. Census Bureau American Community Survey (ACS), which is collected on a rolling basis for five-year periods and was the most current period available at the time of data collection.
- **Real Estate Market Data:** Data regarding the inventory of traditional lodging establishments (i.e., hotel and motel properties), as well as multifamily rental apartments was sourced from CoStar for Q3 2024, the most recent quarter available.

## Study Definitions

### *Definition of an STVR (HE Program 1.7)*

The City of Goleta defines a “Short-term vacation rental” as:

**“a dwelling unit *other* than a dwelling unit located in a hotel...that is rented to a tenant for a period of not more than 30 consecutive days”**

**(Goleta Municipal Code subsection 5.08.020 (emphasis added)).**

For the purposes of this Study, STVRs include real property designed for long-term residential use, whose amenities can include the availability of full kitchen and bathroom facilities, among other attributes. This differentiates STVR units from more traditional hotel and motel uses, which often lack full kitchen facilities, and are located in developments that are intended primarily for use by transient occupants (e.g., hotels, motels, etc.), including tourists and business travelers.

STVRs in this analysis may include single-family homes, duplex and triplex units, townhomes, condominiums, mobile homes, and apartment units, or portions thereof, such as in the case of someone renting out a room in a larger residential unit.

STVRs can include “entire place” listings, in which the owner is generally not present during the term of the rental period. STVRs can also include listings that are “hosted,” whereby the owner remains onsite during the course of the rental.

### *Definition of “Underused” Housing Stock (HE Program 1.8)*

Housing Element Program 1.8 indicates that “underused” housing stock is housing stock in the City of Goleta that is being used for **purposes other than a primary residency.**

According to the U.S. Census Bureau, “underutilized” or “underused” housing stock is a property that falls into one of the following categories of vacant housing:

- For “**seasonal or occasional use**” housing units, and
- “**Other vacant**” housing units. Common reasons for this “other vacant” classification could include ongoing repairs or renovations, an owner not wanting to rent or sell, or the unit being foreclosed.

By the U.S. Census definition, permitted STVRs that are “entire place”, or “non-hosted” homes could fall into the “underused” category if the owner is not present and only uses the home occasionally. STVRs that are otherwise used as a primary residence, whether the rental is hosted or non-hosted, likely do *not* fall under the definition of “underused” housing.

The length of a housing unit’s lease term (e.g., 6 months versus 12 months) *could* point to that unit being “underused,” depending on how the jurisdiction defines this concept. In cities like Santa Monica and West Hollywood, for example, residential lease terms for less than 12 months have been banned. Enforcing longer residential lease terms is intended to keep the existing housing stock available for long-term residential use.

A housing unit’s ownership structure (e.g., personal versus corporate entity) could also point to underuse, but not always. Private equity firms and other corporate entities in the single-family home market often enter into standard 12-month lease terms with local residents, just as a “mom and pop” landlord would.

Corporate ownership *can* be a feature of seasonally vacant (e.g. “underused”) homes, but not in all cases. Some residences used as STVRs in the City of Goleta are owned by LLCs or trusts, while others are owned by primary residents. An LLC or trust may also be used, in some cases, to facilitate ownership of a primary residence. Therefore, corporate ownership in and of itself may not necessarily denote underutilization.

The sale and temporary use of homes as secondary residences using fractional ownership models, such as that used by Pacaso, is one example of an ownership structure that could point to underuse. Some jurisdictions have attempted to regulate this type of ownership by arguing that the model violates their timeshare ordinance, an approach that has been challenged in court.

## Key Study Findings

**The City of Goleta has a comparatively low share of “seasonal” vacant housing units compared to the City and County of Santa Barbara.**

- A “seasonal” vacant housing unit is defined by the US Census as vacant housing intended for “seasonal, recreational, or occasional use.”
- By this definition, approximately 0.7 percent of housing stock in the City of Goleta was reserved for seasonal use during the period from 2018-2022, the most recent period available.
- This compares to 2.5 percent of housing units reserved for seasonal use in the City of Santa Barbara, and 2.6 percent of housing units in Santa Barbara County.
- At the higher end in the region, approximately 10.0 percent of housing units were reserved for seasonal use in Carpinteria, and 16.4 percent in Montecito.

**Not all housing units classified as “seasonal” units are necessarily STVRs.**

- Some owners of seasonal units, for example, may choose not to rent out their seasonal homes to the wider public. This is likely the case for many of the seasonal units located in Montecito.
- The City of Goleta had approximately 93 housing units classified as seasonal in the 2018-2022 period according to Census data, representing 0.7 percent of the City’s housing stock.
- Meanwhile, there were approximately 55 “booked STVR listings” per year on average in 2021, and 73 booked STVR listings in 2022, according to data from AirDNA.

**Not all permitted STVRs in the City of Goleta are necessarily “seasonal” housing units. Instead, some are owner-occupied homes that list extra bedrooms on hosting platforms.**

- There were approximately 51 “Active” STVR Permits in the City of Goleta as of August 2024, according to data furnished by the City’s Finance Department.
- Nearly one-fourth (23 percent) of the City’s Active STVR listings are not “entire place” (non-owner occupied) listings, but are for private rooms within larger units, according to AirDNA data.

- Additionally, the majority of STVRs (54 percent) are annually available for 90 nights or less per year.
- This indicates that a sizable portion of the City’s permitted STVR market is likely to be “incidental,” in which the homeowner actually uses the property by occupying it full or part-time, and/or short-term renting the unit for a relatively small portion of the year to help offset cost (i.e., mortgage payments, maintenance, etc.).

### Impact of STVRs on Housing Stock

- The City of Goleta’s functional vacancy rate, which includes housing units that are vacant and available for rent or for-sale, averaged 2.2 percent between 2018 and 2022. This represents a highly constrained housing market.
- If all 51 permitted STVRs were to be shut down immediately, *and* all those units were placed on the market for rent or for sale, the City’s functional vacancy rate would increase to approximately 2.6 percent, which is still a highly constrained housing market.
- If all 56 “pending” STVR permits were not approved, in addition to existing STVRs being shut down, *and* all those units were placed on the market for rent or for sale, then the City’s functional vacancy rate would increase to approximately 3.0 percent.
- This could indicate that the presence of STVRs in the housing market may not be a significant driver of the observed shortage of available long-term housing in the City of Goleta.
- Housing that is held vacant for seasonal use accounts for around 20 percent of all vacant housing. With a relatively small number of Active STVRs in Goleta, second home activity appears to be a slightly larger driver of housing vacancy than short-term renting.

### Prevalence of Underused Housing Stock

- “Underutilized” or “underused” housing stock is generally defined in this Study as a property that falls into one of the following categories of vacant housing, according to the U.S. Census Bureau:
  - For “seasonal or occasional use” housing units (0.7 percent), and
  - “Other vacant” housing units (2.2 percent)

Common reasons for this classification could include ongoing repairs or renovations, the owner not wanting to rent or sell, or the unit being foreclosed.

- By these measures, approximately 2.9 percent of housing units in the City of Goleta could be considered “underutilized” or “underused”.
- If all underused housing stock were to immediately be placed on the market for rent or for sale, the City’s functional vacancy rate could be expected to increase to around 5.1 percent.

# TRENDS IN HOTEL AND STVR INVENTORY

The purpose of this section is to describe the current STVR market in the City of Goleta, and to facilitate a better understanding of how STVRs function within the Goleta and Santa Barbara County tourist accommodations markets.

## **STVR Presence in City of Goleta**

The Goleta City Council adopted Ordinance No. 15-02 relating to Short-Term Vacation Rentals on February 17, 2015. The ordinance, codified in Chapter 5.08 of the Goleta Municipal Code, requires property owners to obtain a permit before renting a residential dwelling unit for less than 30 days.

### ***Permitting Process***

All STVR operators in the City of Goleta must possess an STVR permit issued and approved by the City. Licenses are granted through the City's Finance Department, and are not renewed automatically. STVR hosts must renew their license prior to the end of each calendar year and submit an updated application at least thirty (30 days) prior to the expiration date of their license.

In addition to providing a license application fee, permitted STVRs are also required to have the following, *at a minimum*:

- Proof of Ownership
- Surety Bond
- A Nuisance Response Plan
- Transient occupancy registration certificate issued by the City Finance Director
- Declaration affirming that residents and businesses within 200 feet have been notified

### ***Ordinance Implementation***

The City of Goleta takes an active role in ensuring that the STVR Ordinance provisions are being followed. Common STVR citations issued by the City could include:

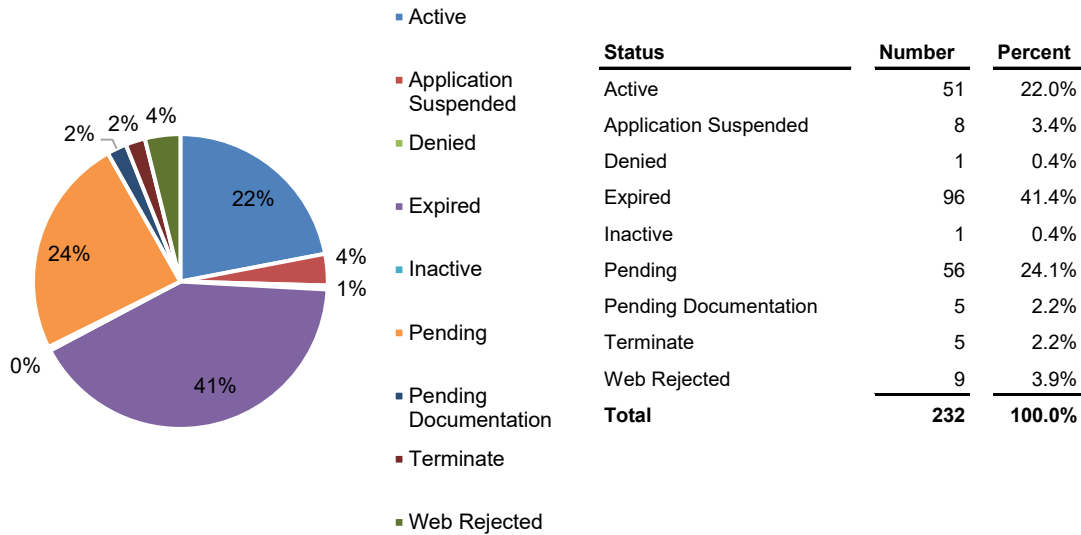
- Unpermitted STVRs advertised on platforms such as AirBnb
- Lack of code compliance with respect to STVR requirements

**STVR Permit Statistics**

There were approximately 51 “Active” STVR Permits in the City of Goleta as of August 2024, according to the Finance Department (as shown in Figure 1). The full breakdown of STVRs by permit status includes:

- 51 “Active” STVR Permits
- 96 “Expired” STVR Permits<sup>1</sup>
- 56 “Pending” STVR Permits
- 5 “Terminated” STVR Permits

**Figure 1: STVR Permit Status, City of Goleta, August 2024**



Sources: City of Goleta Finance Department; BAE, 2024.

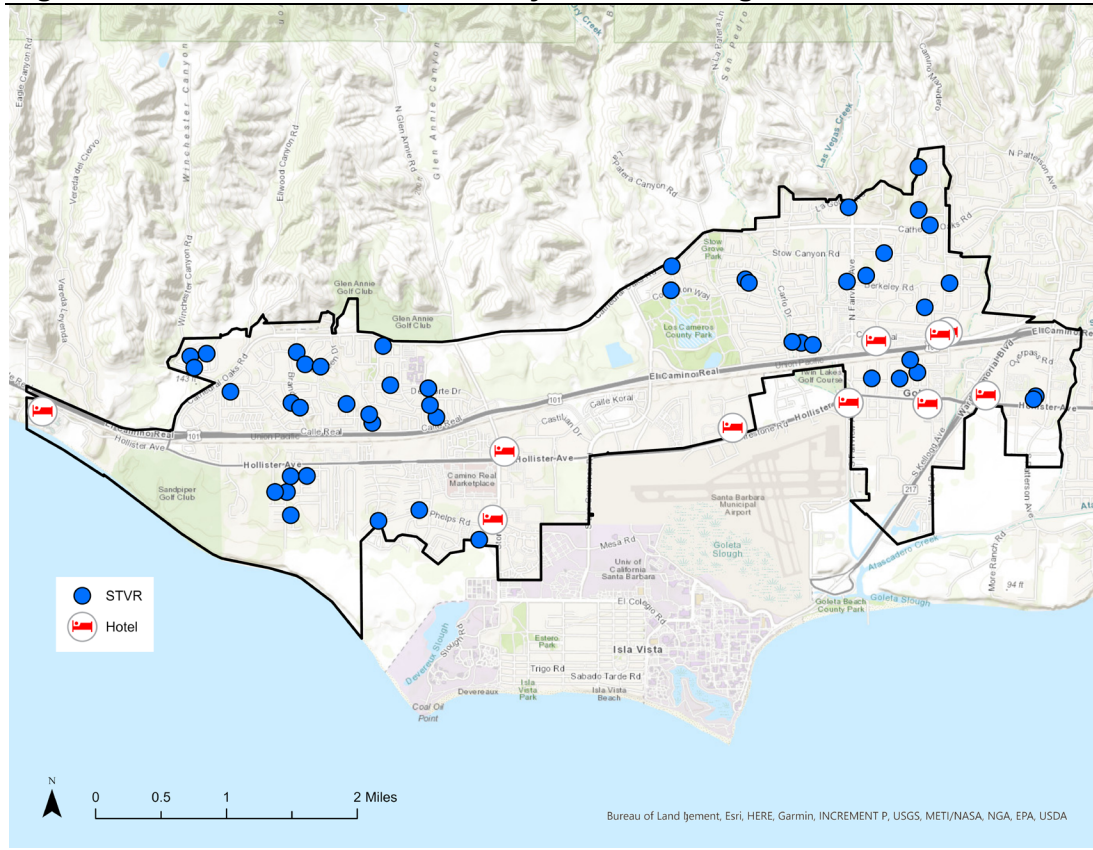
**Location of Permitted STVRs**

Figure 2 displays the geographic distribution of active STVRs and hotels in the City of Goleta as of August 2024. As shown in the map, the majority of permitted STVRs in the City of Goleta are located in residential-zoned neighborhoods north of US Highway 101.

A comparatively small number of STVRs, meanwhile, are located in “Old Town” Goleta.

<sup>1</sup> Duplicate properties exist in this database, however, no property is classified as “Active” was not currently active as of October 2024.

**Figure 2: Active STVR and Hotels, City of Goleta, August 2024**



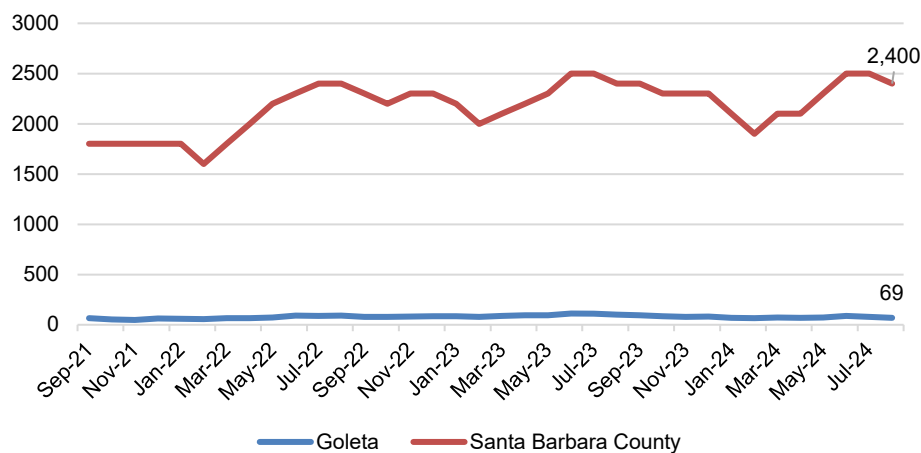
Sources: City of Goleta Finance Department; BAE, 2024

***Trends in Active STVR Listings***

According to data furnished by AirDNA, there were approximately 69 active STVR listings in the City of Goleta as of August 2024 (Figure 3). Active listings differ from permitted STVRs in that they include both permitted and unpermitted STVRs, as well as those that fall outside of the City’s regulatory framework. The reported 69 active listings in August represent less than three percent of the approximately 2,400 active STVR listings in Santa Barbara County as a whole. It should be noted that AirDNA data may not align with the City’s data in all instances, as mentioned briefly in the Introduction.<sup>2</sup>

As shown in Figure 3, the number of active STVR listings in the City of Goleta has stayed relatively consistent over time, with minor fluctuations. Santa Barbara County’s active STVR listings inventory, meanwhile, has gone through several changes, likely influenced in part based on related policy changes in nearby jurisdictions.

**Figure 3: Active STVR Listings, City of Goleta and Santa Barbara County, September 2021 – August 2024**



Sources: AirDNA; BAE, 2024.

***Average Number of STVR Listings Over Time***

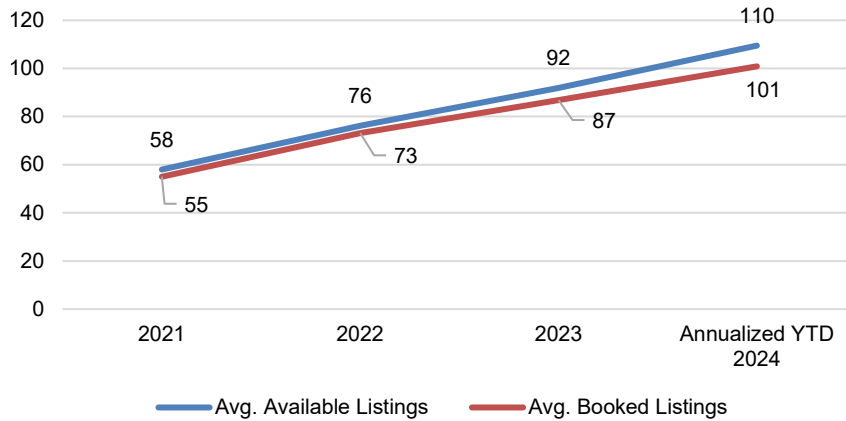
Figure 4 below displays the increase in the number of STVR listings in the City of Goleta between 2021 and 2024, according to data furnished by AirDNA. As shown in the table, the average number of booked listings in the City rose from 55 in 2021 to 101 in 2024, on an annualized basis.

Of the 2024 listings in the City of Goleta, approximately 84 listings (77 percent) were “entire place” listings, which indicates that the entire unit is included in the listing. By

<sup>2</sup> For STVR performance data such as occupancy and rates over time, as well as comparison with neighboring geographies in the same tourism submarket such as the City and County of Santa Barbara, the analysis relies on data from AirDNA, a private data vendor that include properties listed on Airbnb and VRBO.

comparison, approximately 26 listings (23 percent) were for private rooms within larger units. Shared rooms were not included as part of the inventory.

**Figure 4: Average Number of Unique STVR Listings, City of Goleta, Sept 2021 - August 2024**



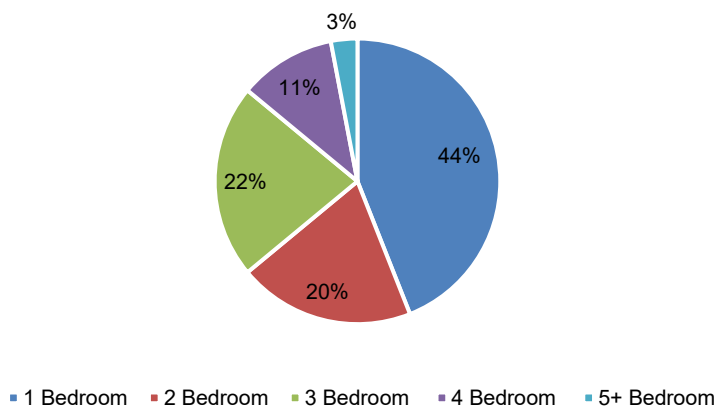
Note:  
The available data for 2024 was August 2024, and it was annualized by finding the average and multiplying by the number of months in a year.

Sources: AirDNA; BAE, 2024

**STVR Unit Size**

In the City of Goleta, nearly 86 percent of all STVR listings have three or fewer bedrooms, according to data furnished by AirDNA. STVRs in the City of Goleta are most commonly one-bedroom units (44 percent) followed by three-bedroom units (22 percent) and two-bedroom units (20 percent). Listings in Santa Barbara County follow a similar distribution.

**Figure 5: STVR Listings by Size, City of Goleta, August 2024**



Sources: AirDNA; BAE, 2024.

***City of Goleta Hotel Industry Summary***

Table 1 compares the performance metrics of the hotel/motel industry in the City of Goleta with Santa Barbara County. The average daily rate, or ADR, is a widely used metric in the hospitality industry reflecting the average price of an occupied accommodation unit. ADR differs from another common metric known as RevPAR, or Revenue per Available Room Night. Where ADR represents what the tenant pays for a given night, RevPAR is a function of the ADR multiplied by the occupancy rate, then divided by the number of available nights per year.

As shown in the table, both Goleta and Santa Barbara County feature occupancy rates above 70 percent (78.4 percent and 76.4 percent, respectively). Most hotel developers and investors generally aim for occupancy rates at 60-70 percent or higher in order to justify new investment.

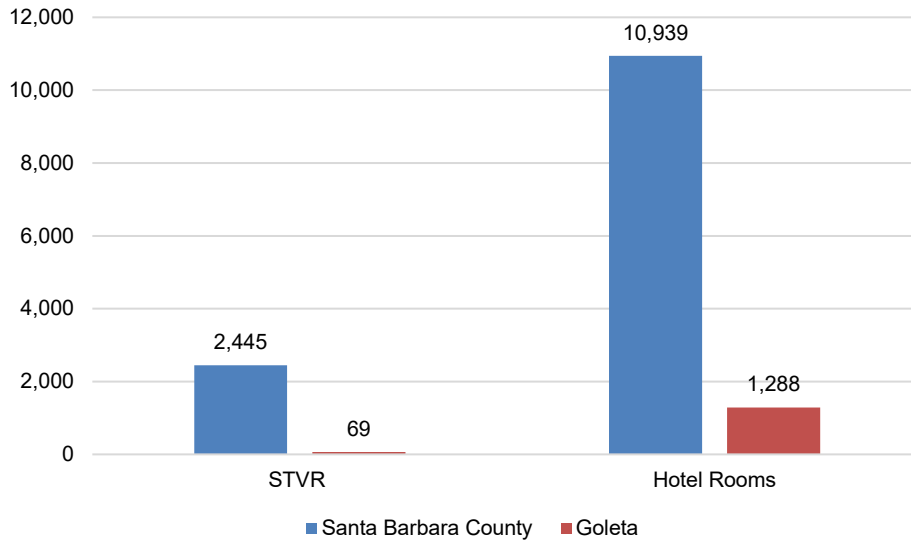
Hotel rates are typically tracked based on the average daily rate (ADR), as well as the average revenue per available room night (RevPAR). Goleta’s ADR (\$361) and RevPAR (\$283) are slightly higher than Santa Barbara County’s ADR (\$297) and RevPAR (\$227).

**Table 1: Hotel/Motel Industry Summary, City of Goleta and Santa Barbara County, August 2024**

	<u>City of Goleta</u>	<u>Santa Barbara County</u>
<b>Inventory</b>		
Properties	9	163
Rooms	1,288	10,939
Occupancy	78.4%	76.4%
Availability	21.6%	23.6%
Average Daily Rate (ADR)	\$361	\$297
Revenue per Available Room (RevPAR)	\$283	\$227

Sources: CoStar, AirDNA; BAE, 2024.

**Figure 6: STVR and Hotel Inventory, City of Goleta and Santa Barbara County, August 2024**



Sources: CoStar, AirDNA; BAE, 2024.

***Hotel/Motel Rooms versus STVR Units, City of Goleta***

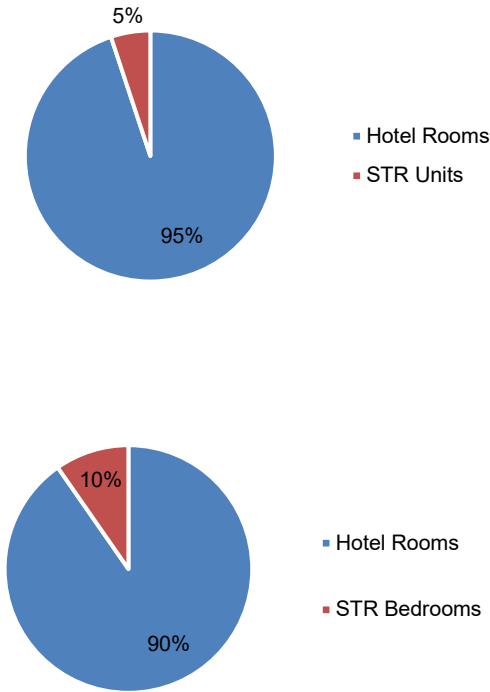
Traditional Hotel rooms comprise the majority of overnight visitor accommodations inventory in the City of Goleta when compared to available STVR units. As shown in Figure 7, STVRs account for 5 percent of traditional hotel rooms in the City, and 10 percent of hotel bedrooms.

This ratio can often be flipped in other areas with a higher share of leisure-travel. In the Town of Mammoth Lakes, for example, STVRs account for approximately 63 percent of the tourist accommodations inventory on a unit-to-unit basis, or around 84 percent when comparing hotel rooms to STVR bedrooms.

---

**Figure 7: Overnight Tourist Accommodations Inventory, City of Goleta, August 2024**

---



---

Sources: CoStar, AirDNA; BAE, 2024.

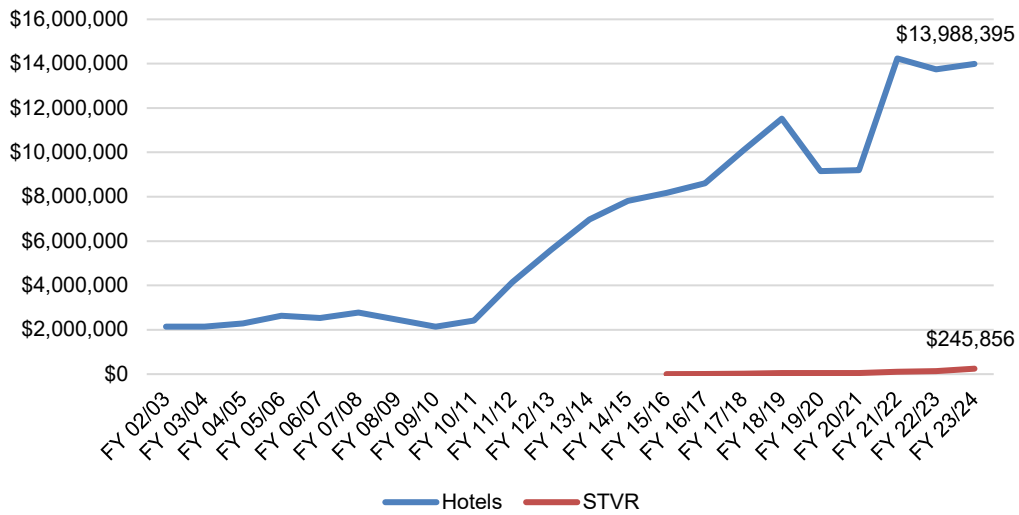
***STVR TOT Revenue as Share of Traditional Lodging***

Figure 8 displays the City of Goleta’s share of transient occupancy tax (TOT) revenue derived from hotels and motels versus STVRs. Each guest staying at a hotel, motel, or bed and breakfast in the City of Goleta pays TOT, also known as a hotel bed tax, which is paid for the occupancy of a guest room.

As shown in the table, Hotel TOT revenue in the City of Goleta has increased steadily over time, notwithstanding a dip in revenue from 2019-2021 correlating to the pandemic. Hotel TOT revenue was \$13,988,395 in fiscal year 2023-2024.

Data for STVR TOT revenue only became available in fiscal year 2015-2016, and has also steadily increased, albeit representing a much lower share of TOT revenue. STVR revenue was \$245,856 in fiscal year 2023-2024, or 1.76 percent of total TOT revenue.

**Figure 8: TOT Revenue, City of Goleta, Fiscal Year 2002/2003 – 2024/2025**

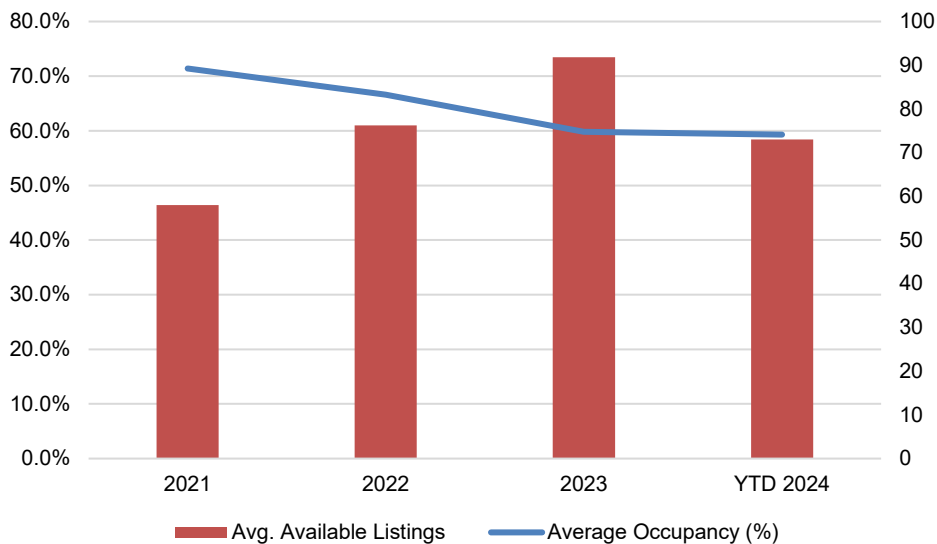


Sources: City of Goleta Finance Department; BAE, 2024.

**STVR Occupancy**

Figure 9 illustrates the average annual occupancy rate and available listings for STVRs in Goleta from 2021 through August 2024, according to AirDNA. The average STVR occupancy rate in the City of Goleta was approximately 71 percent in 2021, and decreased to about 59 percent by August 2024. This could in part reflect an increase in STVR availability, as well as a decrease in demand (i.e., as pandemic-induced domestic travel abated over time).

**Figure 9: Average Annual STVR Occupancy and Listings, City of Goleta, 2021 – August 2024**



Sources: AirDNA; BAE, 2024.

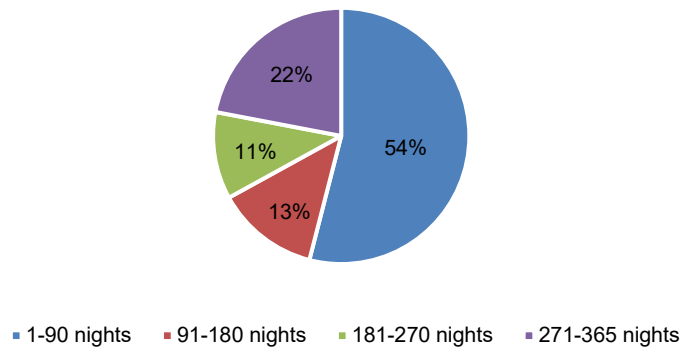
### ***STVR Seasonality***

STVRs that are considered “full time” seasonal rentals are generally defined as being available 181+ days per year. “Incidental” STVRs include those that are short-term rented for less of the year, and which are often used more heavily by the owners and their friends and relatives. In the City of Goleta, approximately 33 percent of STVRs were reportedly available for occupancy more than 181 days. The majority of STVRs are available annually available for 90 nights or less per year. Only 22 percent are available for 270 nights or more, with 13 percent being available for between 91 and 180 days. This could indicate that roughly half market is comprised of more “incidental” short-term rental activity.

---

**Figure 10: Listings by Annual Availability, City of Goleta, August 2024**

---



---

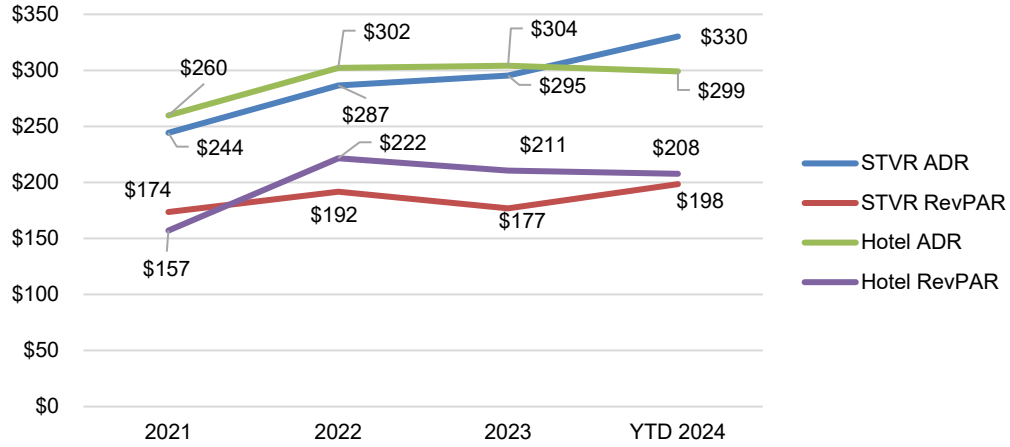
Sources: AirDNA; BAE, 2024.

### ***STVR Nightly Rates***

Figure 11 displays the ADR and RevPAR for STVR units and hotels in the City of Goleta, as reported by AirDNA and CoStar. ADRs and RevPAR for STVR units in Goleta have increased steadily since 2021. As of August 2024, the ADR in Goleta was \$330 and the RevPAR was \$198.

As shown in the table, STVRs have traditionally been slightly less expensive than the ADR for hotels/motels, but this changed in 2024, when STVRs became slightly more expensive, on average. The fact that these are increasing suggests that the STVR market is not yet oversupplied.

**Figure 11: Average Daily Rates (ADR) and Revenue Per Available Room Night (RevPAR), City of Goleta, September 2021 – August 2024**

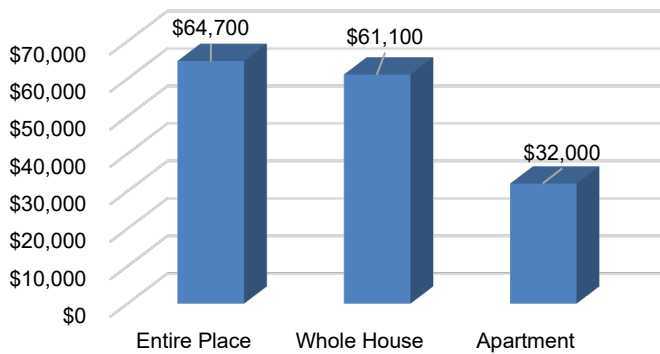


Sources: AirDNA, CoStar; BAE, 2024.

**Average STVR Revenue**

As shown in Figure 12, the average “Entire Place” STVR listing in the City of Goleta generated approximately \$64,700 in gross revenue during the period from September 2021 to August 2024. “Whole House” listings, which could also include room rentals within detached houses, generated \$61,100 in gross revenue, while “Apartment” listings generated \$32,000 in gross revenue.

**Figure 12: Average Gross Revenue per STVR by Type, City of Goleta, September 2021 – August 2024**



Sources: AirDNA; BAE, 2024.

# TRENDS IN HOUSING UTILIZATION

This section describes the utilization of housing resources in the City of Goleta and greater Santa Barbara. This section includes housing data regarding “seasonal vacancy”, which is defined by the U.S. Census as a vacant housing unit that is intended for “seasonal, recreational, or occasional use.” The purpose of this section is to facilitate comparison between local residential vacancy trends, STVRs, and the incidence of housing underuse. Key questions to this end include the following:

- How prevalent are permitted STVRs and seasonal vacancies in the wider context of the City’s existing housing stock?
- What relationship, if any, might there be between permitted STVRs and seasonal vacancies and housing availability in Goleta?

## Housing Utilization in City of Goleta

Figure 13 below illustrates the housing characteristics in the City of Goleta according to ACS estimates from 2018-2022.

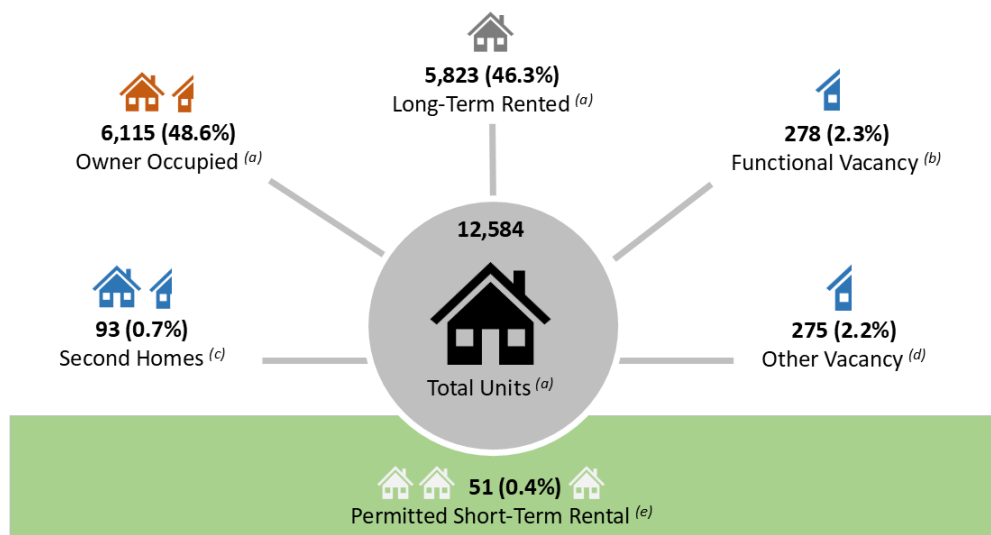
### Of the City’s approximately 12,584 housing units:

- 11,938 were full-time occupied (94.9 percent of the housing stock). This includes:
  - 6,115 owner-occupied units (48.6 percent) and
  - 5,823 units that were long-term renter occupied (46.3 percent)

### Of the City’s approximately 646 vacant housing units:

- 278 housing units (2.3 percent) were vacant as a result of being actively marketed for rent or for sale. This indicates that the City’s “functional” vacancy rate is approximately 2.3 percent, which is very low and indicates a highly constrained housing market.
- An additional 93 housing units (0.7 percent) were reserved for “seasonal” use.
- 275 housing units (2.2 percent) were classified in the “other vacant” category. Housing units are classified as “other vacant” when they do not fit into any other year-round vacant category. Common reasons could include ongoing repairs or renovations, the owner not wanting to rent or sell, or unit being foreclosed.
- “Active” permitted Short-Term Vacation Rentals include 51 units, which would have represented approximately 0.4 percent of the City’s housing stock during the 2018-22 period.

**Figure 13: Housing Stock Utilization, City of Goleta, 2018-22**



**Note:**

- (a) Based on housing unit data as reported in the 2018-2022 5-year ACS data.
- (b) Includes units that are vacant as a result of being available for rent and for-sale, but which have not yet been reoccupied.
- (c) Includes units that are held vacant for seasonal and occasional use.
- (d) Includes units that are rented or sold, but not yet reoccupied, as well as units held vacant for migrant workers, and units that fall into the Census Bureau's "other vacant" definition.
- (e) As reported by the City of Goleta Finance Department as of October 2024.

Sources: U.S. Census Bureau, 2018-2022 5-year ACS; City of Goleta Finance Department; BAE, 2024.

## Housing Vacancy Characteristics

Table 2 reports the distribution of housing units in the City of Goleta, City of Santa Barbara, and Santa Barbara County by occupancy and vacancy status by type.

### *Comparative Share of "Seasonal" Use*

The share of housing units reserved for seasonal use in the City of Goleta has remained relatively constant over the past decade.

Approximately 103 housing units (0.9 percent of total housing stock) in the City of Goleta was reserved for seasonal use in 2010. By 2020, this share had reduced modestly, to 0.7 percent of the City's housing stock.

In the City of Santa Barbara, by contrast, 2.1 percent of housing stock was reserved for seasonal use in 2010. By 2020, the share of seasonal housing units had increased to 2.5 percent of the City's housing stock. This represents more than two-and-a-half times the seasonal use share seen in the City of Goleta.

**Table 2: Vacancy Status by Type, City of Goleta, City of Santa Barbara, and Santa Barbara County, 2010 - 2022**

City of Goleta	2010		2020		Change 2010-2020		2022	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
<b>Occupied units</b>	<b>10,903</b>	<b>95.0%</b>	<b>12,029</b>	<b>95.1%</b>	<b>1126</b>	<b>10.3%</b>	<b>11,938</b>	<b>94.9%</b>
Owner-Occupied	5,844	50.9%	6,179	48.9%	335	5.7%	6,115	48.6%
Renter-Occupied	5,059	44.1%	5,850	46.3%	791	15.6%	5,823	46.3%
<b>Vacant units</b>	<b>570</b>	<b>5.0%</b>	<b>614</b>	<b>4.9%</b>	<b>44</b>	<b>7.7%</b>	<b>646</b>	<b>5.1%</b>
For rent	237	2.1%	169	1.3%	(68)	-28.7%	144	1.1%
For sale only	72	0.6%	52	0.4%	(20)	-27.8%	134	1.1%
Rented, not occupied	15	0.1%	20	0.2%	5	33.3%	40	0.3%
Sold, not occupied	18	0.2%	33	0.3%	15	83.3%	71	0.6%
For seasonal, rec, or occasional use	103	0.9%	113	0.9%	10	9.7%	93	0.7%
For migrant workers	1	0.0%	3	0.0%	2	200.0%	0	0.0%
Other vacant	124	1.1%	224	1.8%	100	80.6%	164	1.3%
<b>Total Units</b>	<b>11,473</b>	<b>100.0%</b>	<b>12,643</b>	<b>100.0%</b>	<b>1170</b>	<b>10.2%</b>	<b>12,584</b>	<b>100.0%</b>

City of Santa Barbara	2010		2020		Change 2010-2020		2022	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
<b>Occupied units</b>	<b>35,449</b>	<b>93.7%</b>	<b>35,383</b>	<b>92.6%</b>	<b>(66)</b>	<b>-0.2%</b>	<b>36,233</b>	<b>93.7%</b>
Owner-Occupied	13,784	36.4%	13,966	36.6%	182	1.3%	14,819	38.3%
Renter-Occupied	21,665	57.3%	21,417	56.1%	(248)	-1.1%	21,414	55.4%
<b>Vacant units</b>	<b>2,371</b>	<b>6.3%</b>	<b>2,825</b>	<b>7.4%</b>	<b>454</b>	<b>19.1%</b>	<b>2,445</b>	<b>6.3%</b>
For rent	920	2.4%	924	2.4%	4	0.4%	446	1.2%
For sale only	182	0.5%	159	0.4%	(23)	-12.6%	80	0.2%
Rented, not occupied	71	0.2%	127	0.3%	56	78.9%	162	0.4%
Sold, not occupied	56	0.1%	133	0.3%	77	137.5%	214	0.6%
For seasonal, rec, or occasional use	776	2.1%	980	2.6%	204	26.3%	975	2.5%
For migrant workers	0	0.0%	5	0.0%	5	n.a.	0	0.0%
Other vacant	366	1.0%	497	1.3%	131	35.8%	568	1.5%
<b>Total Units</b>	<b>37,820</b>	<b>100.0%</b>	<b>38,208</b>	<b>100.0%</b>	<b>388</b>	<b>1.0%</b>	<b>38,678</b>	<b>100.0%</b>

Santa Barbara County	2010		2020		Change 2010-2020		2022	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
<b>Occupied units</b>	<b>142,104</b>	<b>93.0%</b>	<b>148,353</b>	<b>93.7%</b>	<b>6249</b>	<b>4.4%</b>	<b>148,032</b>	<b>93.2%</b>
Owner-Occupied	74,827	49.0%	77,667	49.1%	2840	3.8%	78,168	49.2%
Renter-Occupied	67,277	44.0%	70,686	44.7%	3409	5.1%	69,864	44.0%
<b>Vacant units</b>	<b>10,730</b>	<b>7.0%</b>	<b>9,926</b>	<b>6.3%</b>	<b>(804)</b>	<b>-7.5%</b>	<b>10,775</b>	<b>6.8%</b>
For rent	3,178	2.1%	2,418	1.5%	(760)	-23.9%	2,055	1.3%
For sale only	1,270	0.8%	796	0.5%	(474)	-37.3%	579	0.4%
Rented, not occupied	288	0.2%	330	0.2%	42	14.6%	838	0.5%
Sold, not occupied	316	0.2%	384	0.2%	68	21.5%	807	0.5%
For seasonal, rec, or occasional use	3,354	2.2%	3,741	2.4%	387	11.5%	3,722	2.3%
For migrant workers	23	0.0%	79	0.0%	56	243.5%	169	0.1%
Other vacant	2,301	1.5%	2,178	1.4%	(123)	-5.3%	2,605	1.6%
<b>Total Units</b>	<b>152,834</b>	<b>100.0%</b>	<b>158,279</b>	<b>100.0%</b>	<b>5445</b>	<b>3.6%</b>	<b>158,807</b>	<b>100.0%</b>

Additional data shown in the Appendix indicates that several Census Designated Places (CDPs) in Santa Barbara County are even more impacted by seasonal vacancy. For instance, in 2020, Montecito’s seasonal and occasional use vacancy was 16.4 percent. In Carpinteria, the share of seasonal homes was 8.3 percent

### Housing Occupancy Characteristics

As shown in Table 3, in 2022, Goleta had an almost equal distribution of owner-occupied and renter-occupied housing units, with a 5.1 percent vacancy rate. Total housing units from 2010 to 2020 increased by 10.2 percent but distributions of occupancy and vacancy stayed fairly consistent.

Comparatively, in 2022, the City of Santa Barbara had a larger percentage of renter-occupied housing units at 55.4 percent and a larger vacancy rate of 6.3 percent. Total housing units from 2010 to 2020 increased by only 1 percent. In 2022, Santa Barbara County’s of housing units were more commonly owner-occupied, at 49.2 percent, than renter-occupied, at 44 percent. The vacancy rate was higher than both Goleta and City of Santa Barbara’s at 6.8 percent. From 2010 to 2020, total housing units increased by 3.6 percent.

These vacancies have stayed fairly consistent since 2010 to 2022. City of Santa Barbara and Santa Barbara County vacancy rates are similar to Goleta's, with slightly higher seasonal and occasional vacant housing units.

**Table 3: Housing Occupancy and Vacancy Status, City of Goleta, City of Santa Barbara, and Santa Barbara County, 2010 – 2022**

	2010		2020		Change, 2010-2020		2022	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
<b>City of Goleta</b>								
Owner-Occupied	5,844	50.9%	6,179	48.9%	335	5.7%	6,115	48.6%
Renter-Occupied	5,059	44.1%	5,850	46.3%	791	15.6%	5,823	46.3%
Vacant Housing Units	570	5.0%	614	4.9%	44	7.7%	646	5.1%
<b>Total Housing Units</b>	<b>11,473</b>	<b>100%</b>	<b>12,643</b>	<b>100%</b>	<b>1,170</b>	<b>10.2%</b>	<b>12,584</b>	<b>100.0%</b>
<b>City of Santa Barbara</b>								
Owner-Occupied	13,784	36.4%	13,966	36.6%	182	1.3%	14,819	38.3%
Renter-Occupied	21,665	57.3%	21,417	56.1%	(248)	-1.1%	21,414	55.4%
Vacant Housing Units	2,371	6.3%	2,825	7.4%	454	19.1%	2,445	6.3%
<b>Total Housing Units</b>	<b>37,820</b>	<b>100%</b>	<b>38,208</b>	<b>100%</b>	<b>388</b>	<b>1.0%</b>	<b>38,678</b>	<b>100.0%</b>
<b>Santa Barbara County</b>								
Owner-Occupied	74,827	49.0%	77,667	49.1%	2,840	3.8%	78,168	49.2%
Renter-Occupied	67,277	44.0%	70,686	44.7%	3,409	5.1%	69,864	44.0%
Vacant Housing Units	10,730	7.0%	9,926	6.3%	(804)	-7.5%	10,775	6.8%
<b>Total Housing Units</b>	<b>152,834</b>	<b>100%</b>	<b>158,279</b>	<b>100%</b>	<b>5,445</b>	<b>3.6%</b>	<b>158,807</b>	<b>100.0%</b>

Sources: U.S. Census Bureau, Decennial Census 2010 and 2020, Tables H3, H12, and H16, 2018-2022 5 year ACS (American Community Survey), Table DP04; BAE, 2024.

# STVR POLICY IN OTHER COMMUNITIES

To provide additional insight into ways in which the City of Goleta could approach updates to the existing STVR regulatory framework, this section provides an overview of regulatory approaches enacted by over a dozen peer communities. Research for these peer jurisdictions was conducted between the Spring of 2023 and November 2024.

It should be noted that this chapter uses the term “STR” instead of “STVR” to align with the label used by a higher share of jurisdictions. It should also be noted that the economies of many mentioned communities are more focused on tourism compared to Goleta's economy.

The peer communities reviewed for this research include eleven jurisdictions in California, including:

- [City of Morro Bay](#)
- [City of Santa Cruz](#)
- [City of South Lake Tahoe](#)
- [City of Santa Barbara](#) (summarized separately)
- [Town of Truckee](#)
- [El Dorado County](#)
- [Mariposa County](#)
- [Mono County](#)
- [Placer County](#)
- [Santa Cruz County](#)
- [Sonoma County](#)

The analysis also considers seven out-of-state jurisdictions, including:

- [Crested Butte, Colorado](#)
- [Durango, Colorado](#)
- [Steamboat Springs, Colorado](#)
- [Moab, Utah](#)
- [Park City, Utah](#)
- [Washington County, Utah](#)
- [Bar Harbor, Maine](#)

This section provides a summary of the approaches that these jurisdictions have taken to address several key regulatory issues related to STRs. The discussion is organized by theme, including a review of jurisdictions that implement:

- Definitions of short-term or vacation rentals;
- Caps on the number of STRs that may be permitted;
- Geographic carve-outs and STR density limitations;
- Exemptions for owner occupied housing and hosted rentals;
- Local application processes and procedures;

- Initial and ongoing inspection requirements; and
- Nuisance mitigation programs and enforcement penalties.

Additionally, a thorough examination of the status of STR policy in the City of Santa Barbara was conducted. Table 4 summarizes policy characteristics of short-term rental policy across 17 peer jurisdictions, with the exception of the City of Santa Barbara, which is described in greater detail in its own section.

**Table 4: Policy Summary, Peer Communities**

<b>Peer Community</b>	<b>Caps on STRs</b>	<b>Geographic or Density Limits</b>	<b>Owner Occupied Exemptions</b>
City of Morro Bay	x	x	x
City of Santa Cruz	x		x
City of South Lake Tahoe		x	x
Town of Truckee	x		
El Dorado County	x	x	x
Mariposa County		x	
Mono County		x	x
Placer County	x	x	x
Santa Cruz County	x	x	x
Sonoma County	x	x	x
Crested Butte, CO	x	x	x
Durango, CO	x	x	
Steamboat Springs, CO	x	x	x
Moab, UT		x	
Park City, UT		x	
Washington County, UT	x		x
Bar Harbor, ME	x		x

Sources: Jurisdiction Websites; BAE, 2024

Note: Excludes City of Santa Barbara, which is described in its respective section.

## STR Regulations in Peer Communities

The following section provides a brief thematic summary of STR regulations in 17 peer communities, excluding the City of Santa Barbara, which is explored in more detail in the next section.

### *Definition of a short-term rental or vacation rental*

STRs are typically defined to include residential real estate that is used to house transient individuals or households on short-term basis with a maximum duration of 30 and 90 days.<sup>3</sup> Many jurisdictions define STRs to include only single-family homes and duplexes, though some communities also include condominiums and other multifamily housing types, like apartments. A number of jurisdictions, including the Town of Truckee and Placer County, explicitly prohibit the short-term renting of multifamily

<sup>3</sup> California Revenue and Taxation Code, section 7280, authorizes cities and counties to levy a tax on the “privilege” of occupying a room, or rooms, in a hotel, inn, tourist home or house, motel, or other lodging establishment for less than 30 days, excluding the right of an owner of a time-share or membership camping contract to occupy their respective unit or space.

housing, intending to protect naturally occurring affordable housing from conversion to vacation home and tourist accommodations use.

### ***Caps on the Number of STRs That May Be Permitted***

Among the 17 peer jurisdictions, 12 have enacted limitations or “caps” on the number of STRs that may be legally established, either throughout the jurisdiction or in one or more subareas within the jurisdiction. The City of Santa Cruz and the Town of Truckee have relatively straightforward caps, totaling 250 STRs in Santa Cruz (approximately one percent of the City’s housing stock) and 1,255 STRs in Truckee (approximately seven percent of the Town’s housing stock). Bar Harbor, Maine, sets the cap at nine percent of the housing stock, with the total adjusted over time in accordance with changes in the overall housing inventory. The cap in Bar Harbor does not apply to owner-occupied units.

Many other jurisdictions have caps that differ by subarea, or only apply to specific areas of the jurisdiction. For example, El Dorado County has a cap of 900 non-hosted STRs within the Tahoe Basin portion of the unincorporated county (approximately ten percent of the housing stock in this area). Morro Bay has a cap of 175 full-home, non-hosted STRs (three percent of the City’s housing stock), which applies to residential zones only. Santa Cruz County has three designated areas, each with specific caps for both non-hosted and hosted STRs. Hosted and non-hosted STRs are also allowed outside of the designated areas, with a cap of 250 hosted STRs (0.4 percent of the housing stock in the unincorporated county) throughout the unincorporated county. Sonoma County has capped STRs at five percent of the single-family home inventory within specific areas with high concentrations of STRs. Steamboat Springs, Colorado, has three zones, including one with no STR caps, one with six subzones that each have individual caps, and one where STRs are not permitted. Hosted and temporary STRs in Steamboat Springs are exempt from caps and allowed in the zone where STRs are prohibited.

Many jurisdictions exempt hosted or owner-occupied STRs from the cap(s), or apply a different cap to hosted or owner-occupied STRs. These policies are often combined with variations in the cap(s) by subarea, as in Bar Harbor, El Dorado County, Morro Bay, Santa Cruz, and Steamboat Boat Springs, as described above, as well as in other peer jurisdictions.

### ***Geographic Carve-Outs and STR Density Limitations***

Among the 17 peer jurisdictions reviewed for this research, 13 currently have some form of geographic restrictions on where STRs may be established, and/or limitations on how close an STR can be to another similar use. In many jurisdictions, STRs are allowed only in specific zoning districts or geographic subareas. Other jurisdictions restrict certain types of STRs (e.g., non-hosted or owner-occupied) in specific zoning districts or subareas. For example, South Lake Tahoe does not allow whole-home STRs in residential areas, while Crested Butte allows unlimited licenses (i.e., licenses that allow rentals more than 90 days per year and/or rentals in homes not occupied by

primary owners or long-term renters) in select zones only. As discussed above, many jurisdictions also differentiate between subareas or zones in terms of the caps that apply to the number of STR units that are allowed to operate at any given time.

Five of the peer jurisdictions have specific limits on the geographic spacing or concentration between units in any particular area. El Dorado County requires a 500-foot distance between STRs, though hosted STRs (i.e., rentals where a primary owner resides at the property during the rental period) are exempt. Morro Bay requires a 175-foot distance between full home, non-hosted STRs in residential zones. In commercial zones, Morro Bay allows no more than one eighth of units in a multifamily property to be STRs. In Santa Cruz County, STRs cannot total more than 20 percent of residential parcels on a block, while in Crested Butte a maximum of two STRs per block are allowed. In Durango, there are two subareas in which the second STR on a block requires Planning Commission approval and must be the owner's primary residence, which are not requirements for the first STR on a block. In these areas, a third STR would not be allowed on the same block.

In addition, seven of the peer jurisdictions have regulations that limit the number of STRs per property or per owner, with most allowing only one STR per parcel. These regulations are often combined with other geographic or density limitations, such as those described above.

#### ***Exemptions for Owner Occupied Housing and Hosted Rentals***

Twelve of the 17 peer jurisdictions differentiate between hosted or owner-occupied STRs and other STRs in terms of STRs regulations. While the definitions vary slightly by jurisdiction, hosted STRs are generally those in which the property owner or a representative is present on the property during the period that the units is rented. Owner-occupied STRs are generally those that are the owner's primary residence, though the owner may or may not be required to be present on the property while it is being short-term rented.

Some peer jurisdictions only allow hosted or owner-occupied STRs, with all other types of STR being prohibited. The City of Santa Cruz does not permit any new non-hosted STRs, while Washington County, Utah, allows STRs at a property owner's primary residence only.

Many jurisdictions allow hosted or owner-occupied STRs in areas where other STRs are not allowed, exempt hosted or owner-occupied STRs from caps, or both. Hosted or owner-occupied STRs are exempt from STR caps in El Dorado County, Morro Bay, Placer County, Sonoma County, Crested Butte, Steamboat Springs, and Bar Harbor. Some of the jurisdictions with concentration limitations on STRs, including El Dorado County and Morro Bay, provide an exemption for hosted or owner-occupied STRs. South Lake Tahoe provides more limited exemptions for owner-occupied STRs, exempting homes from prohibitions in residential areas only if the owner is the permanent resident of the

property and uses their property as an STR no more than 30 days per year. In Crested Butte, primary owners or long-term renters are exempt from caps and geographic restrictions if they rent their homes as STRs for no more than 90 days per year. Crested Butte is the only peer jurisdiction that provides the same exemptions to long-term renters as are available to full-time owner occupants.

On June 20, 2023, the California Court of Appeal for the Third District issued a decision in the case of a South Lake Tahoe Property Owners Group versus the City of South Lake Tahoe which upheld the City’s authority to regulate and restrict the operation of STRs in residential zones, but questioned the constitutionality of imposing lesser restrictions on owner-occupied STRs under what is known as the “dormant commerce clause” of the United States Constitution. The dormant commerce clause prohibits states from discriminating against out-of-state actors in interstate commerce. The argument is that allowing STRs only in units that are otherwise occupied full-time by the owners infringes on the rights of property owners that live out of state. While the appellate court sent the case back to the lower court for further review on the dormant commerce clause issue, this research recommends that Goleta avoid differential requirements based on owner-occupancy and instead consider differentiating regulation based on full-time occupancy (either by the owner or an authorized full-time renter) or whether a rental is hosted or non-hosted.<sup>4</sup> Nonetheless, BAE cannot attest to whether either of these approaches would meet applicable legal standards.

***Local Application Processes and Procedures***

Most of the peer jurisdictions approve applications and issue permits or licenses for STRs through an administrative process, though some require public notice or a public hearing. Jurisdictions in which permits or licenses are approved administratively include El Dorado County, Mariposa County, Morro Bay, Placer County, South Lake Tahoe, Truckee, Steamboat Springs, Moab, Park City, and Washington County.

In Truckee, there is a one-year waiting period after a house is sold before the owner is eligible to sign up for the STR waiting list. The purpose of the waiting period is to create uncertainty for second home buyers regarding their ability to generate rental income in a way that aligns with the requirements of 1031 exchange transactions.<sup>5</sup>

Crested Butte and Durango approve permits or licenses administratively but require noticing to all property owners within a certain radius (100 to 300 feet) and take public comment prior to permit issuance, while Bar Harbor approves permits administratively and subsequently issues notices to property owners within 50 feet. In Santa Cruz (City), units with four or fewer bedrooms are approved administratively, while units with five or

---

<sup>4</sup> Please note that this does not constitute legal advice and that BAE Urban Economics is not qualified to provide direction on the legality of differentiating between hosted and non-hosted STRs as a matter of public policy.

<sup>5</sup> According to the Internal Revenue Code, a Section 1031 exchange is a swap of one real estate investment property for another that allows capital gains taxes to be deferred.

more bedrooms require a public hearing. Santa Cruz County allows for administrative approvals for STRs with three or fewer bedrooms, with a requirement to provide notices to property owners within 300 feet and the possibility of a public hearing if an appeal is filed. STRs with four or more bedrooms in Santa Cruz County require a public hearing. Similarly, Sonoma County allows for administrative approvals for units with five or fewer bedrooms and requires a use permit for larger units. Mono County requires a public hearing and noticing to all property owners within 500 feet prior to issuance of any STR permit.

Mono County uses a two-step discretionary approvals process for STRs in the unincorporated area. New STR applications first require approval of a Conditional Use Permit following completion of a mandatory hearing with the County Planning Commission. If approved, the Conditional Use Permit allowing the STR use subsequently runs with the land through the addition to the Transient Rental Overlay District (TROD). The property owner, or their agent, is then required to apply for a Short-Term Rental Activity Permit, which requires a hearing before the Board of Supervisors. The Activity Permit does not run with the land and can, therefore, be revoked as a result of an enforcement action and automatically expires when the property changes ownership.

#### ***Initial and Ongoing Inspection Requirements***

Twelve of the 17 peer jurisdictions have inspection requirements for STRs. In jurisdictions with ongoing inspection requirements, inspections are generally required prior to issuance of the STR permit or license. Some jurisdictions also require recurring inspections either annually or every three or four years. Some jurisdictions rely on a self-inspection process, either as the only inspection requirement or on an annual basis between less frequent inspections by agency staff. Inspections generally focus on health and safety, often with an emphasis on fire safety and defensible space.

#### ***Recertification or Renewal Requirements***

Twelve of the 17 peer jurisdictions require periodic recertification or renewal of permits or licenses. Eleven of the jurisdictions require annual renewal, while permits in Santa Cruz County remain effective for five years. In four of the jurisdictions with renewal requirements, the STR must be active (i.e., actively remitting TOT) to be eligible for renewal. The City of Santa Cruz does not require annual renewal, but STR permits lapse if not used (i.e., not-actively remitting TOT) for two years. The jurisdictions in which an STR must remain active to be eligible to continue to be permitted are all jurisdictions with caps on the total number of STRs, which ensures that limited STR permits are allocated to units that actively contribute to the inventory of overnight tourist or visitor accommodations.

#### ***Nuisance Mitigation Provisions and Enforcement Penalties***

Thirteen of the 17 peer jurisdictions have a requirement for a local contact person who can be reached by phone and/or other means 24 hours per day during all times when

an STR is rented. These jurisdictions typically have specific requirements regarding the time-frame within which the local contact person must be able to respond when contacted, with many requiring that the local contact person is able to be present at the property and initiate corrective action within 30 to 60 minutes. The property owner is generally required to provide the local contact person's information to the jurisdiction as well as on a sign posted on the exterior of the property that is visible from the street. Sonoma County and Durango post information for the local property manager on the local jurisdiction's website. El Dorado County requires that the local contact person complete a training course and exam, while Sonoma County requires that the local contact person just passes a certification exam. Some jurisdictions – including El Dorado County, Mono County, Placer County, Sonoma County, Truckee, and Crested Butte – also operate a phone hotline and/or email address that is dedicated for the public to be able to report complaints about STRs.

Possible penalties for non-compliance with STR regulations typically consist of fines and suspension or revocation of the STR permit, with the possibility of misdemeanor charges in some cases. Several jurisdictions have lower fines for an initial violation, followed by higher fines for subsequent violations and revocation after three to four violations within a given time period. Many jurisdictions have a waiting period of a year or more before a property owner can apply for a new STR permit following a revocation. In jurisdictions with waiting lists for STR permits, the property owner is typically unable to sign up for the waiting list until the waiting period following a revocation has ended.

#### ***Policies Related to Fractional Ownership Models***

In addition to policies related to STRs, two of the peer jurisdictions had policies related to fractional home ownership. These fractional ownership models typically consist of the purchase of a property by a limited liability corporation (LLC), with ownership split between two to eight buyers that then use the property as a shared vacation home. These types of ownership models are often facilitated by third-party companies, like Pacaso, that help with the sale of shares, manage the property, provide furnishings, assist with scheduling, and/or manage cleaning. Jurisdictions that have adopted or considered regulations on fractional ownership homes have cited some of the same concerns related to these properties as with STRs, including impacts on residential neighborhoods and the removal of homes from the housing stock that might otherwise be available to full-time occupancy.

In April 2023, the Sonoma County Board of Supervisors approved changes to the County Code to define fractional ownership properties as time shares, thereby limiting these homes to areas of the County that are zoned for lodging and tourism. Park City similarly limited fractional ownership to zones that allow timeshares and private residence clubs starting in 2022. However, a Utah State law passed in March 2023 has since prohibited local jurisdictions from treating properties held under fractional ownership differently from other properties. Prior to the passage of the State law, Moab was considering similar regulations.

***Ties to Complementary Policies and Programs***

The STR policies enacted by peer communities are generally stand-alone ordinances that direct the approval and administration of STRs within the community. The Town of Truckee, however, recently coupled the STR permit ordinance and administrative process with another local housing program. The Short-Term Rental Workforce Housing Token Program (STR Token Program) was established in early 2023 to incentivize the creation of workforce housing by offering in-kind payment for Deed Restrictions in the form of STR “Tokens” which are redeemable for Transient Occupancy Registration Certificates.

Participants in the STR Token Program are required to deed-restrict housing units for a mandatory term of 15 years in exchange for tokens. The units must be occupied full-time by households where at least 50 percent of the adult tenants are employed a minimum of 20 hours per week within the boundaries of the Tahoe Truckee Unified School District. Annual gross incomes for occupant households cannot exceed 150 percent of the countywide area median income (AMI). The minimum lease term is 12 months for rental units.

Participants are selected through a request for proposals process and ranked.<sup>6</sup> Participants can offer a certain number of housing units and specify the number of tokens they would like in return. Program participants can redeem a Token for a Transient Occupancy Registration Certificate to use on their own or can sell, trade, or transfer the Token to another recipient who becomes the Token Holder. The Token Holder can cancel the Certificate associated with a short-term rental property and can apply to re-use that Token for a different eligible property.

---

<sup>6</sup> The program is currently in the pilot phase and is accepting rolling submissions until June 2024. For more information visit: <https://www.townoftruckee.com/government/housing/short-term-rental-workforce-housing-token-program>

### ***STR Regulation in the City of Santa Barbara***

Considering the regional significance, comparable market conditions, and tourism submarket shared with the City of Santa Barbara, this Study provides an in-depth analysis of the Santa Barbara's STR policies to develop informed strategies for Goleta.

Title 28 of the City of Santa Barbara Municipal Code, which regulates land use, prohibits the rental of dwelling units for less than 30 days without proper approvals. The City Attorney's Office defines an STR as "the rental of any dwelling unit to any person for exclusive transient use for periods of 30 consecutive days or less" in a council agenda report entitled "Short-Term Rental Enforcement Pilot Program", which was presented to council on April 25, 2023.<sup>7</sup>

Currently, STRs are prohibited in most areas, especially in inland residential zones. However, STRs may be permitted if the property is located within zoning districts that allow for hotels/motels and the owner has applied for the appropriate permits. Figure 14 highlights where STR operation may or may not be permissible in the City of Santa Barbara, as well as the bounds of the coastal zone<sup>8</sup>, which has enforcement implications.

The coastal zone refers to the "Coastal Zone Boundary" (CZB)<sup>9</sup> established by California's Coastal Act of 1976, which in the City of Santa Barbara, extends inland about one half mile from the ocean. Any significant development with the coastal zone requires a permit from the California Coastal Commission or local governments with an approved Local Coastal Program (LCP), which are entities created by cities and counties, and certified by the Coastal Commission, to regulate development consistent with the Coastal Act. As such, there are regulatory differences in STR policy for areas of the city covered by the coastal zone, and those outside of it.

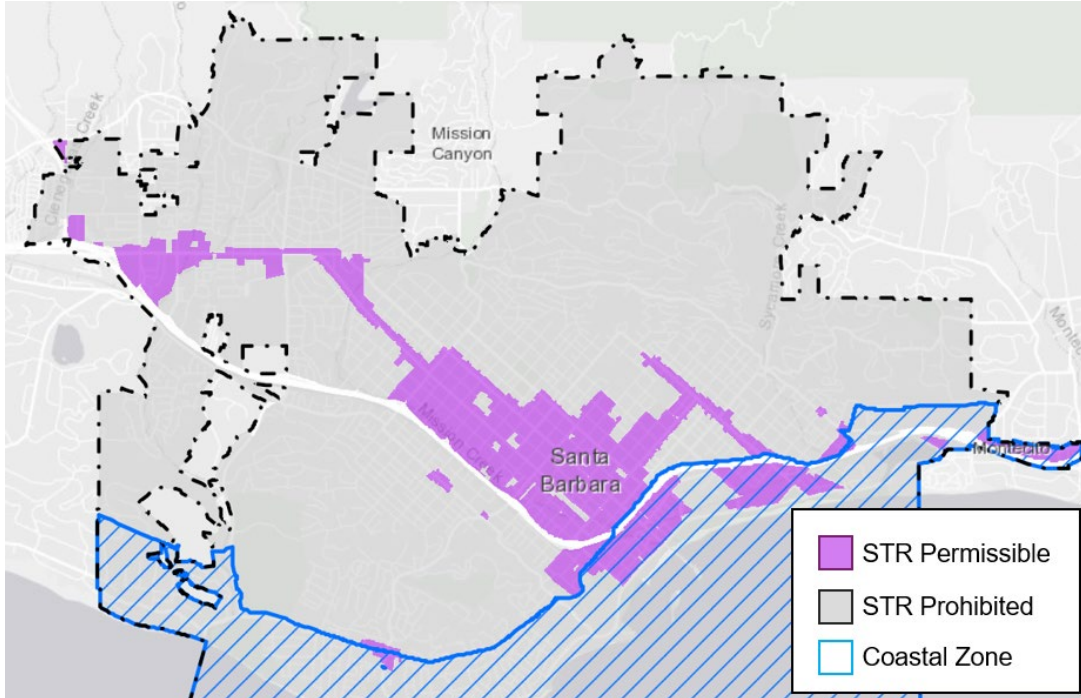
---

<sup>7</sup> City of Santa Barbara. Council Agenda Report: Short-Term Rental Enforcement Pilot Program [Resolution]. 25 Apr. 2023, Agenda Item No. 15, File Code No. 660.01. Santa Barbara City Attorney's Office and Finance Department.

<sup>8</sup> <https://santabarbaraca.gov/government/priorities-policies/local-coastal-program>

<sup>9</sup> <https://www.coastal.ca.gov/maps/czb/>

**Figure 14: STR Permissibility and Coastal Zone in City of Santa Barbara**



Source: City of Santa Barbara Community Development Department, 2024

### ***Short-Term Rental Enforcement Pilot Program***

Recognizing the need for enhanced enforcement of their STR policy and the resource costliness of enforcement, the City of Santa Barbara launched the Short-Term Rental Enforcement Pilot Program on August 1, 2023. Funded by the City Council on April 25, 2023, with a budget of approximately \$1.2 million, the program aims to enhance enforcement while gathering comprehensive data on STR activity. The program includes data collection efforts which can help identify illegal STRs, enhance investigations to build strong evidence for enforcement actions, and phase compliance. The goal of the program is to investigate and deter illegal STRs and it is explicitly stated that the program's goal cannot be to recover TOT.

### ***Enforcement History***

In 2015, the City of Santa Barbara initiated proactive enforcement of zoning laws prohibiting STRs in most areas. However, this effort was hindered by insufficient funding and the complexity of investigating illegal operations. Enforcement was primarily limited to administrative citations and civil lawsuits, which proved to be time-consuming and inefficient given the volume of violations. Between 2015 and 2017, of the 759 enforcement cases opened, only 112 were resolved, with many cases left unresolved due to insufficient evidence or staff resources.

The enforcement landscape shifted in 2018 when legal battles over STR regulations intensified. The case *Kracke v. City of Santa Barbara* set a precedent in the City of

Santa Barbara, limiting STR enforcement in the Coastal Zone to nuisance-based complaints rather than proactive action. As a result, enforcement remains divided: proactive investigations are allowed inland, while the Coastal Zone is restricted to complaints about tenant behavior or other nuisances.

***Potential Municipal Code Amendments***

To strengthen enforcement, the City of Santa Barbara is considering amendments to the municipal code. These include increasing fines for STR violations, as permitted by Senate Bill 60 (2021), which allows penalties up to \$1,500 for first offenses and \$5,000 for repeated violations posing a threat to public health or safety. Additional proposals include requiring STR platforms to retain records for inspection and mandating online posting of business license tax certificates for STR listings.

# IMPACTS OF VISITOR SPENDING ON WORKFORCE HOUSING

The following section estimates demand for workforce housing created as a result of STVR occupancy and associated visitor spending. Data for this analysis were primarily collected from the 2023 *The Economic Impact of Travel: California* report prepared by Dean Runyan and Associates on behalf of Visit California.<sup>10</sup> Additional data regarding average occupancy for STRs located in the Goleta submarket were collected from AirDNA.

According to Dean Runyan, out-of-town visitors to Santa Barbara County spent approximately \$1.88 billion within the county in 2023. This spending supported an estimated 19,980 jobs within Santa Barbara County, including direct, indirect, and induced employment.<sup>11</sup> This equals an average of nearly \$94,268 in local visitor spending per supported job. Dean Runyan estimates that visitor spending associated with travelers staying overnight in short-term vacation rental accommodations in Santa Barbara County totaled roughly \$220 million in 2023. Applying the jobs multiplier derived from all visitor spending, BAE estimates that visitor spending associated with people staying in STVRs supported around 2,334 jobs in Santa Barbara County. According to Dean Runyan, there were a total of 277,871 visitor party nights among groups staying in STVRs in 2023, which is akin to occupied STVR nights. This implies a multiplier of 119 occupied STVR nights per supported job.

According to AirDNA, the average STVR in the Goleta submarket was rented for 173 nights during calendar year 2023. BAE estimates that the average STVR may therefore be likely to support around 1.5 jobs across the economy. Assuming 1.86 workers per household, based on data from the U.S. Census Bureau's Public Use Microdata Sample (PUMS), BAE estimates that the Goleta may likely experience demand for 0.78 new workforce housing units for each new STVR that enters the market on average, as reported in Table 5.

---

<sup>10</sup> Dean Runyan and Associates. (April 2024). *The Economic Impact of Travel: California, 2023p (Preliminary)*. Prepared for Visit California. Available at: <https://industry.visitcalifornia.com/research/economic-impact>

<sup>11</sup> Direct employment represents jobs that are immediately supported by visitor spending, such as the hotel concierge and restaurant servers. Indirect employment represents jobs that are secondarily supported by visitor spending, such as grocery store suppliers, maintenance professionals, and other local area goods producers and service providers. Induced impacts are generated by households with earned income re-spending those dollars within the community on everyday goods and services.

**Table 5: Workforce Housing Demand Induced by New STVRs, City of Goleta, 2023**

**Visitor Spending Per Job Supported**

Destination Spending, Total (a)	\$1,875,000,000
Supported Jobs, Total (b)	19,890
<b>Spending Per Job Supported</b>	<b>\$94,268</b>

**Visitor Spending by Accommodation Type**

Short-Term Vacation Rentals (c)	\$220,000,000
---------------------------------	---------------

**Jobs Supported by Accommodation Type**

Short-Term Vacation Rental (d)	2,334
--------------------------------	-------

**Visitor Party Nights by Accommodation Type**

Short-Term Vacation Rental (e)	277,871
--------------------------------	---------

**Visitor Nights Per Job Supported**

Short-Term Vacation Rental (f)	119
--------------------------------	-----

**STRs Per Workforce Unit Demanded**

Ave. Occ. Nights Per Year (g)	173
Jobs Per Average STR (h)	1.5
<u>Workers Per Workforce Household (i)</u>	<u>1.86</u>
Workforce Units Demanded per STR (j)	0.78

Notes:

- (a) Includes all types of spending that occur at the destination, excluding spending for ground transportation and air travel impacts that accrue to other California visitor destinations, travel arrangement services and convention/trade show services.
- (b) Excludes employment impacts associated with other Travel, such as ground transportation and air travel impacts for travel to other California visitor destinations, travel arrangement services and convention/trade shows services.
- (c) Includes all destination spending associated with visitors staying in short-term vacation rental accommodations, as reported by Dean Runyan and Associates.
- (d) Equal to the total destination spending for travelers staying in short-term vacation rental accommodations divided by the average visitor spending per job supported for the tourism industry in Santa Barbara County.
- (e) Equal to the total visitor nights for travelers staying in short-term vacation rental accommodations in Santa Barbara County, as reported by AirDNA.
- (f) Equal to the total visitor nights for travelers staying in short-term vacation rental accommodations divided by the total number of jobs supported by destination spending for travelers staying in said accommodations.
- (g) As reported by AirDNA, a private data vendor, for the 12-month period ending in August 2024.
- (h) Equal to the average occupied nights per year for STRs in the the City of Golea, as reported by AirDNA for the 12-month period ending in August 2024, divided by the average visitor nights per supported job.
- (i) Equal to the average number of workers per workforce household as reported in the U.S. Census Bureau's Public Use Microdata Sample (PUMS) for the Public Use Microdata Area (PUMA) Santa Barbara County.
- (j) Equal to the average number of STRs per unit of workforce housing demanded.

Source: Dean Runyan, The Economic Impact of Travel - California 2023; Dean Runyan, Personal Communication; AirDNA; BAE, 2024.

# POLICY RECOMMENDATIONS

The following section identifies policy updates and recommendations for consideration by the City of Goleta to help implement Housing Element Programs 1.7 and 1.8. The recommendations are intended to provide decision-makers with a menu of possible strategies, and are based on best practices utilized in other jurisdictions.

Recommendations are also informed by key findings noted in the Study:

- STVRs in the housing market are currently not a significant driver of the observed shortage of available long-term housing in the City of Goleta.
- However, STVRs and seasonal units do likely make a marginal contribution to the local housing shortage, as clarified in the section above.
- Any increase in the number of “active” non-hosted STVRs will likely further contribute to a reduction in the City’s available housing stock for the period during which they are rented and/or unoccupied.
- Continued monitoring of the local STVR market is advisable to prevent further encroachment of the second-home STVR market into the available long-term housing stock in the City of Goleta.

Recommendations are provided for each Housing Element Program. However, given the nature of their subject overlap, most recommendations broadly apply to both HE Programs 1.7 and 1.8.

## STVR Recommendations (HE Program 1.7)

### *Administrative and Process Updates*

Recommendations intended to enhance administrative procedures for STVRs, as well as increase the amount and quality of data collected on them. These could be implemented through amendments to the Goleta Municipal Code (Title 5: Business Licenses), and/or updating the forms and materials associated with implementing the provisions of this Title 5, if applicable.

#### **1) Update the Definition of an STVR (also applies to HE Program 1.8)**

Consider updating the definition for STVR and other related uses in the Goleta Municipal Code to better reflect the functional differences between different forms of transient visitor accommodations. For example, consider updating the definition of an STVR to differentiate between “hosted” and “un-hosted” STVRs, as well as STVRs in condotel projects. These updates could facilitate STVR ordinance amendments that

differentiate policy approaches between different types of tourist accommodations. While the precise definitions would need legal vetting and are ultimately up to the City, possible categories could include the following:

- **Hosted STVR:** A property where the primary resident or owner is present during the guest's stay and rents out a portion of the property, such as a bedroom or accessory dwelling unit.
- **Non-Hosted STVR:** A property rented in its entirety without the primary resident or owner present during the guest's stay.
- **Condotel STVR:** A unit within a condominium or mixed-use development primarily used for transient occupancy and offered through centralized management services.

## 2) Collect Additional Attribute Data when Issuing Licenses

Update the process for issuing STVR licenses to collect more information on the types of properties providing tourist accommodations to aid in long-term evaluation of the impact on local housing availability. This will require additional refining with the City, as some may currently be implemented or in the process, but could include additional property specifics, such as the number and type of units on the property (e.g., single-family home, condominium, apartment, accessory dwelling unit, etc.), the number of bedrooms, number of beds and/or maximum allowed capacity (persons), the number of dedicated parking spaces, etc.

## 3) Data Collection Records to Allow Ongoing Analysis

The City may consider updating the data collection and management workflow to provide data that can be used for ongoing monitoring, analysis, and enforcement, such as:

### a. TOT Remittance

Continue to collect information on TOT remittances in a format that allows authorized staff to identify whether a property and/or unit was actively engaged in visitor accommodations activity (i.e., submitting TOT and for what amount) during a given month. This data should also allow for analysis of applicable rental rates, such as ADR and RevPAR, on a confidential basis by authorized staff.

### b. Availability

Continue to collect information on the number of nights per month that the property was made available for occupancy by short-term visitors. This will allow the City to rely on a comprehensive database versus using web-scraped data from AirDNA. Accurate data on availability is necessary for analysis of occupancy rate characteristics, as well as the relative utilization of the unit for STVR activity versus other activities (e.g., occupancy by the owner, vacant, etc.)

### c. Occupancy

Continue to collect information on the number of nights per month that the property was booked for occupancy by visitors. This should identify, at a minimum, the number of nights the unit was booked for occupancy, as well as the number of occupied nights, but may also include the number of persons reported to be in the visiting party, which may provide useful information on tourist visitation.

#### **4) Maintain and Update Annual Relicensing Procedures**

Maintain the City's existing requirement to renew an STVR license on an annual basis. As part of the relicensing process, consider requiring property representatives to self-certify that the property and associated management practices have not been modified in such a way as to constitute non-compliance with any applicable code requirements, such as the fire and safety code, as well as all other conditions of licensure. Approximately every three to five years, consider requiring participating properties to be reinspected to confirm proactive compliance.

#### **5) Create an STVR Property Search Tool**

To provide greater public transparency, facilitate identification of non-compliant properties, and encourage the prompt resolution of nuisance issues and associated complaints, consider creating a public facing mapping platform that identifies the location of all licensed STVRs, as well as new STVR applications. Subject to legal guidance, the platform could provide the STVR license number and identify the contact information for person designated to address nuisance issues and complaints. The platform could also be leveraged to facilitate notification of nearby property owners and community members of new STVR applications and be coordinated for use as part of an administrative notification and approval process.

#### ***Update STVR Eligibility Standards***

Recommendations intended address the potential influence of STVRs on the long-term housing market. These recommendations would likely be implemented through changes to the Goleta Municipal Code (Title 5).

#### **6) Prohibit Short-Term Renting of Properties Recently Subject to a No Fault Eviction**

To reduce the incentive for property owners to evict existing tenants in order to convert the property to an STVR, consider prohibiting the issuance of STVR permits to properties that have been subject to an eviction from being registered as an STVR for a specified period. This could reduce the incentive for property owners to engage in speculative real estate activity that could result in the eviction of tenants.

#### **7) Establish an STVR Permit Waiting Period for New Home Purchases**

Establish a waiting period of at least one year following the purchase of a residential property before that property is eligible to apply for an STVR permit. If the City elects to establish a cap on the number of allowable STVR licenses that may be issued, an applicant for a new STVR permit would need to complete the waiting

period prior to applying for an STVR permit and prior to being added to a waiting list, if applicable. The purpose of the waiting period is to create uncertainty for second home buyers regarding their ability to generate rental income in a way that aligns with the requirements of 1031 exchange transactions.

#### **8) Enhance Enforcement Penalties**

Consider implementing a “three strikes” policy or points system that would allow the City to revoke STVR licenses from operators that repeatedly violate STVR regulations in the Goleta Municipal Code, adopted nuisance standards, and/or who fail to demonstrate a good faith attempt to address problems in a timely manner. The City could also develop a range of potential penalties and sanctions that may be levied, with penalties that increase each time a new infraction is documented.

#### ***Limit the Number and Type of STVRs***

Recommendations intended to address the potential influence of STVRs on the long-term housing market.

#### **9) Establish a Cap on the Number of Permitted STVRs**

Consider limiting the total number of STVRs that may be permitted within City of Goleta at any given time. The cap may be set at or near the existing level of permitted STVRs (e.g., 0.5 percent of housing stock in August 2024), and may be adjusted over time as needed. Many communities set this cap at the existing level of permitted STVRs to prevent further encroachment in the housing market, rather than revoking permits that have already been issued.

#### **10) Create a Mechanism to Reduce Allowed Permits When Needed**

If the City of Goleta elects to limit the number of STVR permits allowed throughout the City, it will be important to also establish a mechanism for decreasing the number of permits that may be issued, as needed.

#### ***Geographic Targeting and Density Limits***

Recommendations to discourage the overconcentration of STVRs while ensuring the availability of tourist accommodations in desirable locations. These could likely be implemented through amendments to Title 17 (Zoning) of the Goleta Municipal Code.

#### **11) Consider Geographic Targeting of the STVR Policy**

Consider applying different standards within specific geographic subareas that can help to ensure the availability of visitor accommodations in areas appropriate for subareas such as the Coastal Zone.

#### **12) Consider STVR Density Limits**

As an alternative, or in addition, to geographic carve-outs, consider establishing STVR density standards that establish a minimum distance between permitted STVR units, or a maximum share of units within a certain defined area that may be short-

term rented. These requirements could be applied in areas where the current density of STVRs is lower, or where the existing concentration of STVRs has resulted in an over concentration of nuisance and community character concerns.

## **“Underused” Housing Recommendations (HE Program 1.8)**

### **13) Update the Definition of an STVR:**

See Recommendation #1 above to consider updating the definition of an STVR to differentiate between hosted and un-hosted STVRs, as well as STVRs in condotel projects.

### **14) Establish Code Provisions Regarding Fractional Ownership and Timeshares**

The City could consider adopting regulations limiting the areas where fractional ownership and timeshare uses may be allowed, including both new construction and the acquisition and conversion of existing residential uses. Housing that accommodates fractional ownership is similar to the business model used by corporate firms such as Pacaso.

### **15) Create a Registry for Leases of more than 31 days**

Consider requiring property owners and managers to declare long-term rentals of 31 to 90 days and to notify the City in the event that the rental is cancelled, or the lease broken, within 30 days of the start date. The intent is to discourage the illegal avoidance of STVR regulations, as well as gather additional data on the possible presence of the “mid-term” rental market.

Units subject to this near-term lease registry would not be subject to Transient Occupancy Tax (TOT), unless the lease is ended within the first 30 days. While the registry could be implemented in a number of different ways, key considerations might include whether to require the same inspection procedures as for the shorter-term license.

### **16) Consider a Cap on Nights Rented for “Non-Hosted” STVRs**

To discourage the further proliferation of non-hosted STVRs, many of which likely fall into the “underused” category, consider establishing a maximum number of nights per year that a non-hosted STVR may be rented in certain areas where full-time resident occupancy is the preferred use. This provision, if implemented, should be dovetailed with any potential cap or unit restrictions. This can reduce the financial incentive to buy second homes to use as full-time STVRs. Some jurisdictions exempt hosted or owner-occupied STRs from the cap(s), or apply a different cap to hosted or owner-occupied STRs.

### **17) Consider Fewer Restrictions on “Hosted” STVRs**

Short-term renting can represent an important income source that can facilitate homeownership, provide support for lower- and middle-income households, and provide tourist accommodations. The City may consider using differential regulations for hosted and non-hosted STVRs to allow for short-term renting to facilitate homeownership, while limiting the prevalence of absentee landlords and corporate ownership within the STVR market. Some jurisdictions only allow hosted or owner-occupied STVRs, with all other types of STVR being prohibited.

## **Other Related Policy Recommendations**

Recommendations not directly associated with STVR policy, but that have a significant bearing on the City's tourist accommodations industry, as well as the balance between workforce wages and the availability and adequacy of regional housing resources.

### **18) Actively Market and Enforce the “Good Neighbor Guidelines” as noted in the City’s STVR Performance Standards**

STVR operators in other communities often complain about being singled out for nuisance abatement actions that should, theoretically, apply to the community as a whole. The City should proactively expand on and advertise the existing “Good Neighbor Guidelines” to educate the community and STVR operators regarding community nuisance standards. Leverage the Good Neighbor Guidelines as the basis for nuisance abatement activities, but also appeal to the community at large to encourage enforcement of similar standards community wide.

### **19) Encourage Development of Other Accommodation Types**

Take steps to encourage development of new tourist accommodations other than STVRs that do not impact how the housing stock is utilized, including hotels and motels.

### **20) Expand and Diversify the Housing Supply**

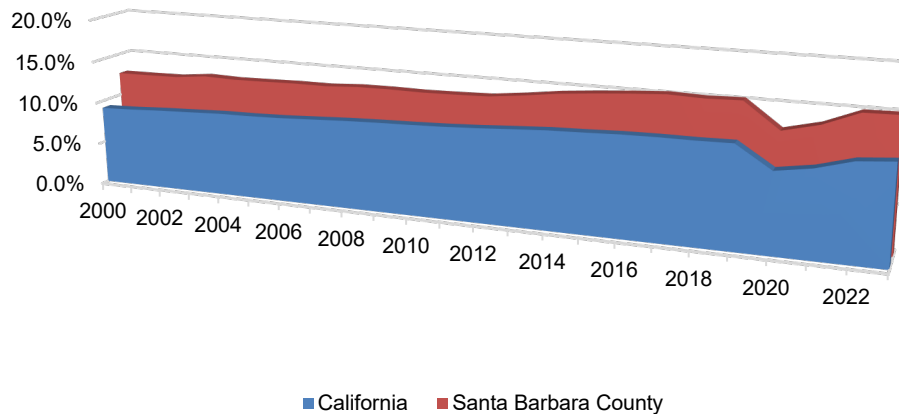
To better manage/mitigate the impact of STVRs and underused housing on the housing market, the City should take steps to encourage and facilitate construction of a diversity of housing types that meet the needs of a wide array of workforce households, including smaller single-family units (both detached and attached) on smaller lots, as well as townhomes and apartments, in locations that support such development (i.e., have required infrastructure and proximity to employment and residential amenities).

# APPENDIX A: HOTEL TRENDS

## Tourism Economic Contribution

Data from the California Employment Development Department (EDD) indicates that the Leisure and Hospitality sector – which includes recreation, accommodations, and food service, among other activities. Santa Barbara County’s leisure and hospitality jobs stayed consistent over the 2000-2023 time period with a slight decrease in 2020, corresponding to the global coronavirus pandemic. Santa Barbara County is only slightly more concentrated than California in leisure and hospitality jobs at about 15 percent in 2023, while California had a share of about 11 percent.

**Figure 15: Leisure and Hospitality Jobs as a Share of Total Nonfarm Employment, Santa Barbara County and California, 2000-2023**



Sources: California Employment Development Department, Industry Employment and Labor Force Data; BAE, 2024.

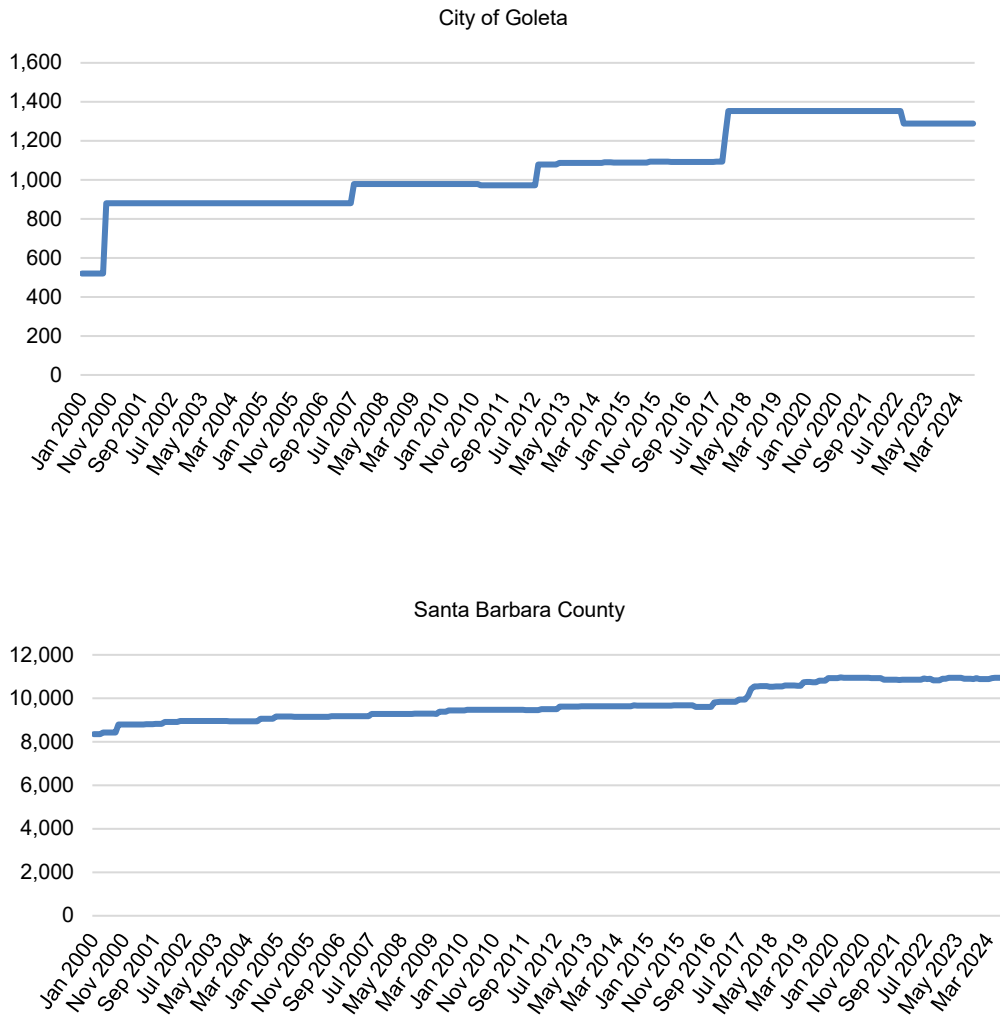
Figure 16 below shows the distribution of active STVR and hotels in the city of Goleta.

### *Hotel/Motel Inventory*

According to data from CoStar, a private data vendor, there are a total of nine hotel and motel properties located within the City boundary. Figure 16 illustrates growth in the hotel and motel room inventory from January 2000 through August 2024. The hotel inventory grew steadily from 2000 to 2017, with a bigger growth in late 2017 with an addition of around 260 new hotel rooms. The inventory remained stagnant since then, even through the global coronavirus pandemic in 2020, when the hotel sector experienced significant distress. As of August 2024, CoStar estimates that there were around 1,288 lodging rooms of varying sizes and qualities in the City of Goleta. Santa

Barbara County’s inventory growth remained relatively steady with a similar larger growth in 2017, with an addition of around 700 new hotel rooms.

**Figure 16: Hotel/Motel Inventory Trends, City of Goleta and Santa Barbara County, January 2000 – August 2024**



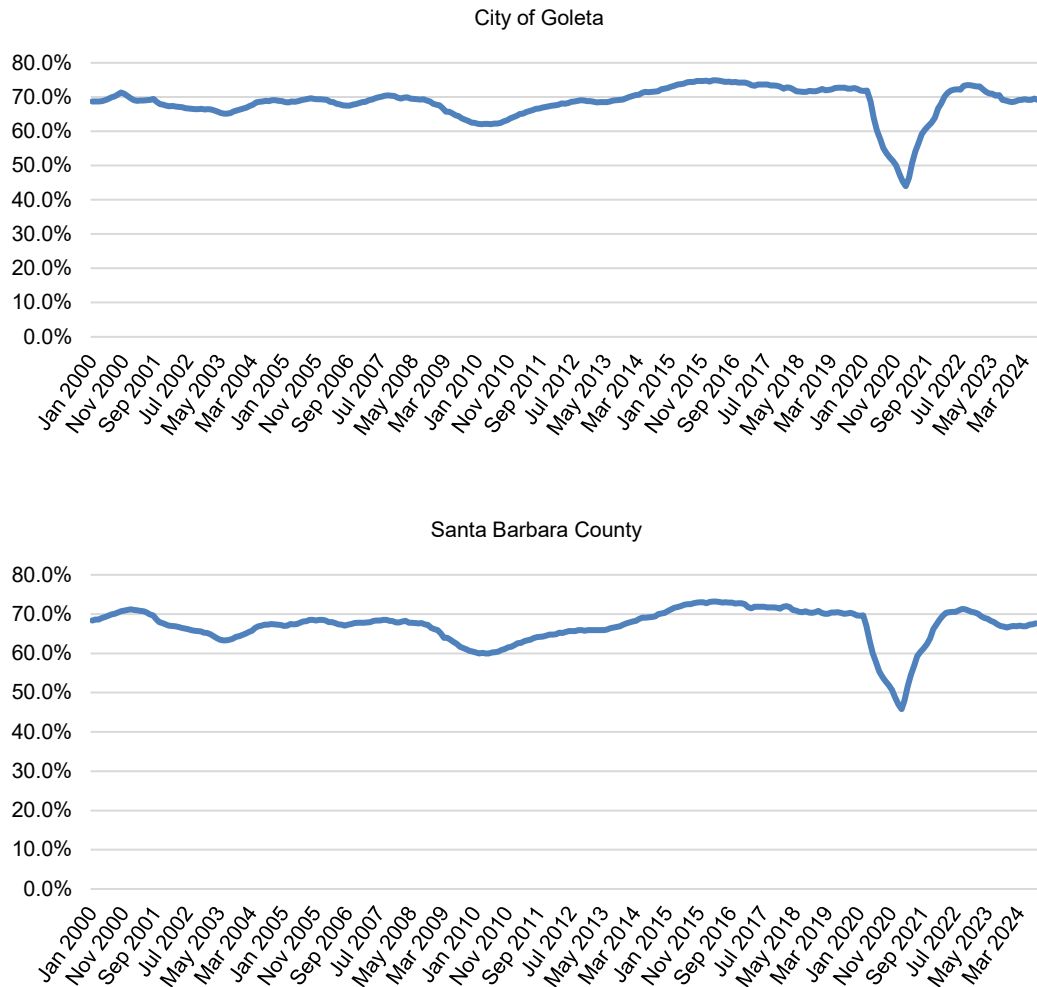
Sources: CoStar; BAE, 2024.

***Hotel Occupancy Rates***

Most hotel operators target an average occupancy rate of at least 60 to 70 percent in order to sustain operations. Figure 17 illustrates the 12-month running average occupancy rate for hotels in Goleta and Santa Barbara County. The data shows a drop in occupancy during the years of the Great Recession, but have never dropped below 62 percent during this time period. There was a more significant decrease in occupancy in 2020-2021 corresponding with the global coronavirus pandemic and associated stay-at-home orders, hitting a low of 44 percent. As of August 2024, occupancy rates had recovered to around 70 percent. Santa Barbara County’s occupancy rates follow the

same pattern as Goleta’s, with similar decreases during the Great Recession and the global coronavirus pandemic, and similar recovery.

**Figure 17: 12-Month Average Hotel Occupancy Rate, City of Goleta and Santa Barbara County, March 2000 – August 2024**



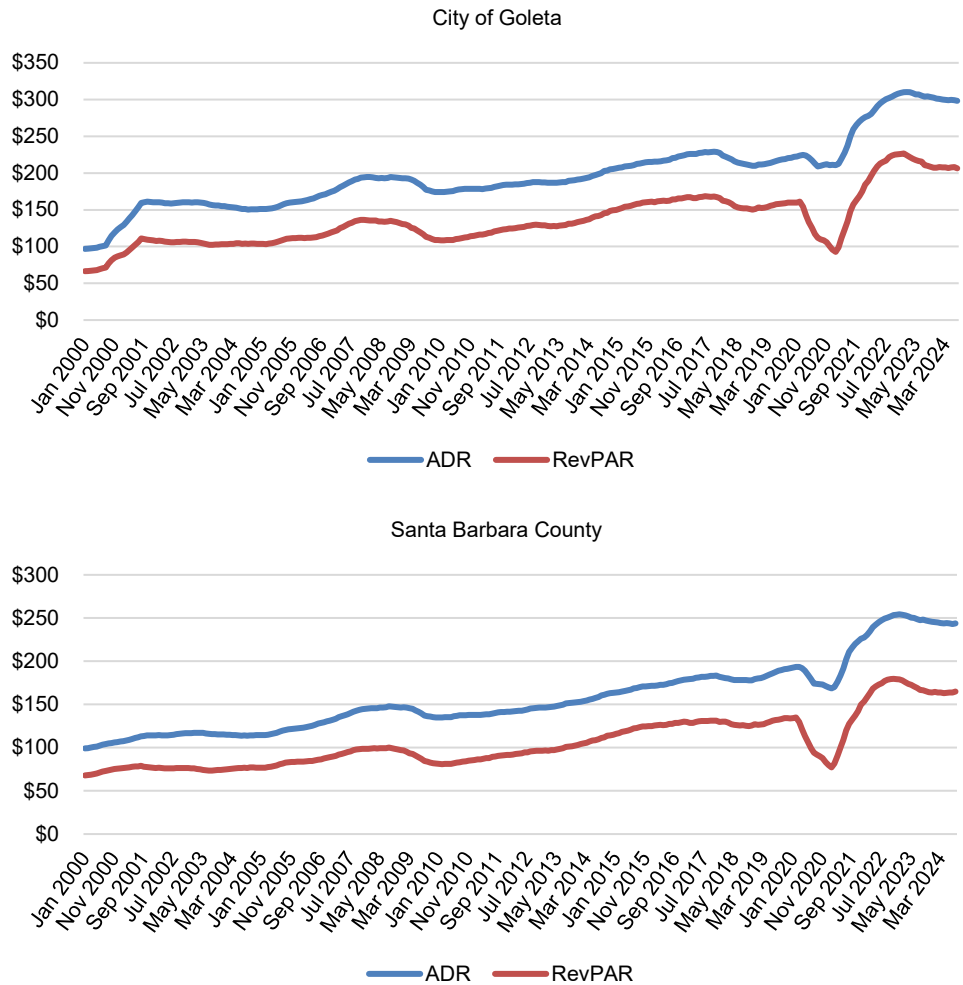
Sources: CoStar; BAE, 2024.

***Hotel Nightly Rates***

Hotel rates are typically tracked based on the average daily rate (ADR) as well as the average revenue per available room night (RevPAR). Figure 18 illustrates change in the ADR and RevPAR for hotel properties in the City of Goleta and Santa Barbara County. The data indicate that, on average, both ADR and RevPAR have increased steadily over time. The exceptions are brief decreases that occurred as a result of the global Coronavirus pandemic between 2020 and 2021, with rates resuming their prior trajectory as of 2022. CoStar estimates the ADR for the 12-months from July 2023 to August 2024 at \$299, while the monthly average rates ranged from \$298 to \$305. RevPAR for the same period averaged \$208, and ranged from \$206 to \$216, depending on the month. Santa Barbara County’s occupancy rates follow the same

pattern as Goleta's, with similar decreases during the Great Recession and the global coronavirus pandemic, and similar recovery.

**Figure 18: 12-Month Average Hotel ADR and RevPAR, City of Goleta and Santa Barbara County, January 2000 – August 2024**



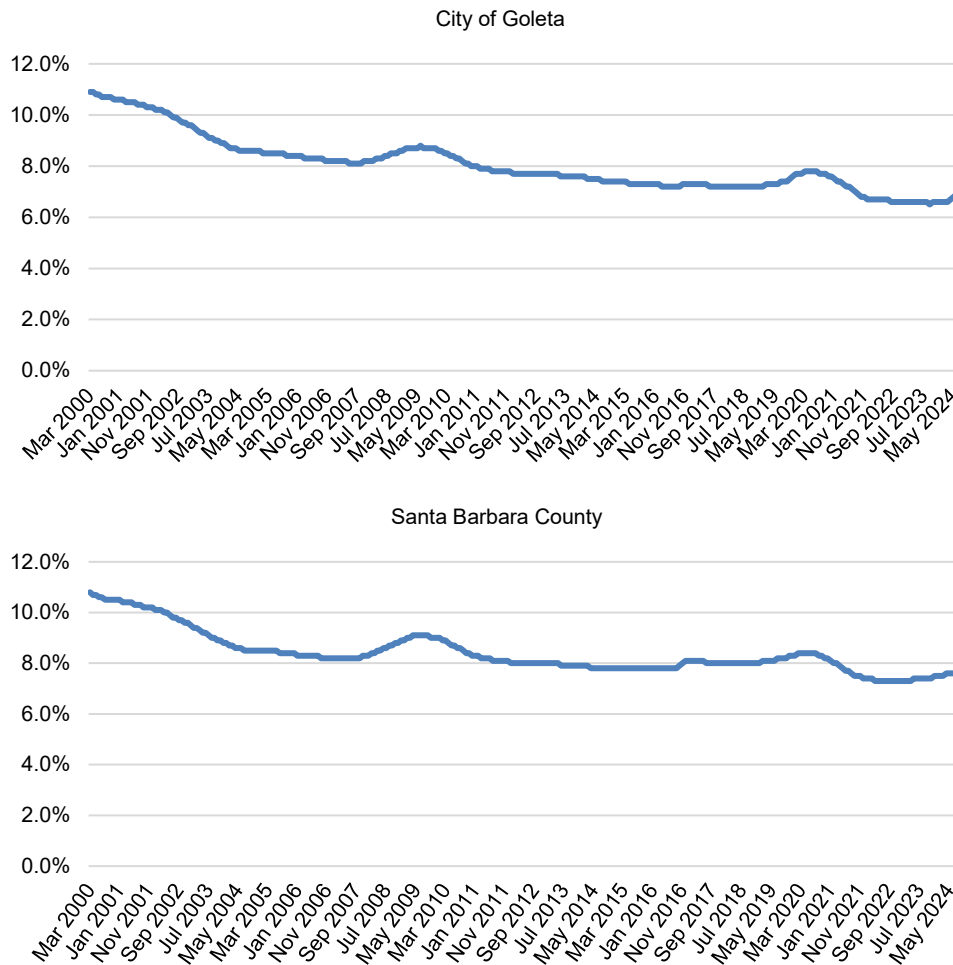
Sources: CoStar; BAE, 2024.

**Hotel Capitalization Rates**

Capitalization (cap) rates reflect the revenue generating potential of a commercial real estate asset as a share of the property's full market value. In times of economic uncertainty, investors often elect to invest in properties with comparatively high cap rates, as those investments are perceived to be lower risk. Decreasing cap rates generally reflect improving confidence in the future performance of certain investment types. Figure 19 illustrates estimates from CoStar of market average cap rates for hotel and motel properties in Goleta and Santa Barbara County from March 2000 through August 2024. The data indicate that cap rates for hotel properties decreased steadily from 2000 until the onset of the Great Recession in 2008. Cap rates increased to about nine percent during the Great Recession, but largely recovered by the mid-2010s when

rates began to decrease modestly. The cap rates again peaked in 2020 corresponding to the global coronavirus pandemic at about eight percent. Cap rates recovered fairly quickly in late 2021 and 2022 and stabilized in 2023 at around 6.6 percent on average. Santa Barbara County’s capitalization rates follow the same pattern as Goleta’s, with similar peaks during the Great Recession and the global coronavirus pandemic, and similar recovery.

**Figure 19: Hotel/Motel Market Capitalization Rates, City of Goleta and Santa Barbara County, March 2000 – August 2024**



Sources: CoStar; BAE, 2024.

## APPENDIX B: SUPPLEMENTAL HOUSING DATA

Significant deltas between home prices and local workforce wages may indicate that second homeowners with high incomes living elsewhere impact the local market

City of Goleta

**Single-Family Homes**

Sale Price Range	1 BR	2 BR	3 BR	4+ BR	Total	Percent of
						Total
Less than \$1,200,000	0	1	6	2	9	8.6%
\$1,200,000-\$1,799,999	0	1	30	36	67	63.8%
\$1,800,000-\$2,399,999	0	0	5	13	18	17.1%
\$2,400,000-\$2,999,999	0	0	2	3	5	4.8%
\$3,000,000 or more	1	0	0	5	6	5.7%
<b>Total Units Sold</b>	<b>1</b>	<b>2</b>	<b>43</b>	<b>59</b>	<b>105</b>	<b>100.0%</b>
<b>Percent of Total</b>	<b>1.0%</b>	<b>1.9%</b>	<b>41.0%</b>	<b>56.2%</b>	<b>100.0%</b>	
<b>Median Sale Price</b>	<b>\$3,975,000</b>	<b>\$1,060,650</b>	<b>\$1,390,000</b>	<b>\$1,665,000</b>	<b>\$1,550,000</b>	
<b>Average Sale Price</b>	<b>\$3,975,000</b>	<b>\$1,060,650</b>	<b>\$1,522,047</b>	<b>\$2,269,814</b>	<b>\$1,956,794</b>	
<b>Average Unit Size (sf)</b>	n.a.	1,143	1,522	2,122	1,850	
<b>Average Lot Size (sf)</b>	n.a.	8,494	8,317	107,295	65,889	
<b>Average Price per sf</b>	n.a.	\$940	\$1,016	\$885	\$941	

**Condominiums/Townhomes**

Sale Price Range	1 BR	2 BR	3 BR	4+ BR	Total	Percent of
						Total
Less than \$600,000	12	0	0	0	12	15.4%
\$600,000-\$799,999	5	21	4	1	31	39.7%
\$800,000-\$999,999	0	14	3	0	17	21.8%
\$1,000,000-\$1,199,999	0	3	4	0	7	9.0%
\$1,200,000 or more	0	1	5	5	11	14.1%
<b>Total Units Sold</b>	<b>17</b>	<b>39</b>	<b>16</b>	<b>6</b>	<b>78</b>	<b>100.0%</b>
<b>Percent of Total</b>	<b>21.8%</b>	<b>50.0%</b>	<b>20.5%</b>	<b>7.7%</b>	<b>100.0%</b>	
<b>Median Sale Price</b>	<b>\$575,000</b>	<b>\$785,000</b>	<b>\$1,105,000</b>	<b>\$1,307,500</b>	<b>\$772,500</b>	
<b>Average Sale Price</b>	<b>\$585,764</b>	<b>\$820,181</b>	<b>\$1,045,016</b>	<b>\$1,320,000</b>	<b>\$853,658</b>	
<b>Average Unit Size (sf)</b>	741	1,099	1,411	2,044	1,160	
<b>Average Lot Size (sf)</b>	497	871	1,597	2,415	1,116	
<b>Average Price per sf</b>	<b>\$802</b>	<b>\$754</b>	<b>\$739</b>	<b>\$638</b>	<b>\$752</b>	

**Santa Barbara County**

**Single-Family Homes**

<b>Sale Price Range</b>	<b>1 BR</b>	<b>2 BR</b>	<b>3 BR</b>	<b>4+ BR</b>	<b>Total</b>	<b>Percent of Total</b>
Less than \$600,000	2	69	303	89	463	21.5%
\$600,000-\$1,199,999	6	31	421	324	782	36.4%
\$1,200,000-1,799,999	1	44	151	132	328	15.2%
\$1,800,000-\$2,399,999	2	19	84	79	184	8.6%
\$2,400,000-\$2,999,999	0	8	49	45	102	4.7%
\$3,000,000 or more	2	15	95	180	292	13.6%
<b>Total Units Sold</b>	<b>13</b>	<b>186</b>	<b>1,103</b>	<b>849</b>	<b>2,151</b>	<b>100.0%</b>
<b>Percent of Total</b>	<b>0.6%</b>	<b>8.6%</b>	<b>51.3%</b>	<b>39.5%</b>	<b>100.0%</b>	
<b>Median Sale Price</b>	<b>\$1,150,000</b>	<b>\$1,051,250</b>	<b>\$725,000</b>	<b>\$1,250,000</b>	<b>\$871,500</b>	
<b>Average Sale Price</b>	<b>\$1,565,423</b>	<b>\$1,329,148</b>	<b>\$1,347,754</b>	<b>\$2,451,313</b>	<b>\$1,827,899</b>	
<b>Average Unit Size (sf)</b>	<b>832</b>	<b>1,283</b>	<b>1,734</b>	<b>2,539</b>	<b>2,068</b>	
<b>Average Lot Size (sf)</b>	<b>110,082</b>	<b>27,863</b>	<b>440,453</b>	<b>188,893</b>	<b>300,270</b>	
<b>Average Price per sf</b>	<b>\$1,501</b>	<b>\$1,006</b>	<b>\$705</b>	<b>\$793</b>	<b>\$768</b>	

**Condominiums/Townhomes**

<b>Sale Price Range</b>	<b>1 BR</b>	<b>2 BR</b>	<b>3 BR</b>	<b>4+ BR</b>	<b>Total</b>	<b>Percent of Total</b>
Less than \$600,000	25	86	44	1	156	33.7%
\$600,000-\$799,999	18	44	14	1	77	16.6%
\$800,000-\$999,999	0	58	18	4	80	17.3%
\$1,000,000-\$1,199,999	0	21	14	1	36	7.8%
\$1,200,000 or more	7	49	49	9	114	24.6%
<b>Total Units Sold</b>	<b>50</b>	<b>258</b>	<b>139</b>	<b>16</b>	<b>463</b>	<b>100.0%</b>
<b>Percent of Total</b>	<b>10.8%</b>	<b>55.7%</b>	<b>30.0%</b>	<b>3.5%</b>	<b>100.0%</b>	
<b>Median Sale Price</b>	<b>\$680,000</b>	<b>\$794,500</b>	<b>\$879,000</b>	<b>\$1,292,500</b>	<b>\$811,500</b>	
<b>Average Sale Price</b>	<b>\$773,984</b>	<b>\$943,039</b>	<b>\$1,115,151</b>	<b>\$1,243,906</b>	<b>\$979,554</b>	
<b>Average Unit Size (sf)</b>	<b>766</b>	<b>1,211</b>	<b>1,600</b>	<b>2,021</b>	<b>1,294</b>	
<b>Average Lot Size (sf)</b>	<b>676</b>	<b>1,899</b>	<b>3,574</b>	<b>1,855</b>	<b>2,327</b>	
<b>Average Price per sf</b>	<b>\$999</b>	<b>\$745</b>	<b>\$669</b>	<b>\$616</b>	<b>\$751</b>	

## Rental Housing Prices

**Table 6: Residential Multifamily Market Summary by Unit Size, City of Goleta and Santa Barbara County, Q3 2024**

<b>City of Goleta</b>						
	<b>Studio</b>	<b>1 BR</b>	<b>2 BR</b>	<b>3 BR</b>	<b>4 BR+</b>	<b>All Unit Types</b>
<b>Inventory, Q3 2024 (units)</b>	988	1,415	1,250	219	15	3,887
% of Units	25.4%	36.4%	32.2%	5.6%	0.4%	1
Occupied Units	970	1,374	1,207	211	15	3,776
Vacant Units	18	41	43	8	0	111
Vacancy Rate	1.8%	2.9%	3.5%	3.6%	0.2%	2.9%
<b>Avg. Asking Rents, Q3 2023 - Q3 2024</b>						
Avg. Asking Rent, Q3 2023	\$1,517	\$2,625	\$3,549	\$4,639	n.a.	\$3,111
Avg. Asking Rent, Q3 2024	\$1,533	\$2,646	\$3,594	\$4,796	n.a.	\$3,153
% Change Q3 2023 - Q3 2024	1.1%	0.8%	1.3%	3.4%	n.a.	1.4%
<b>Santa Barbara County</b>						
	<b>Studio</b>	<b>1 BR</b>	<b>2 BR</b>	<b>3+ BR</b>	<b>4 BR+</b>	<b>All Unit Types</b>
<b>Inventory, Q3 2024 (units)</b>	10,226	9,583	8,408	2,316	219	30,752
% of Units	33.3%	31.2%	27.3%	7.5%	0.7%	100.0%
Occupied Units	8,843	9,277	8,104	2,194	216	28,653
Vacant Units	362	302	300	98	3	1,066
Vacancy Rate	3.9%	3.1%	3.6%	4.3%	1.3%	3.6%
<b>Avg. Asking Rents, Q3 2023 - Q3 2024</b>						
Avg. Asking Rent, Q3 2023	\$1,588	\$1,984	\$2,555	\$2,710	\$2,069	\$2,247
Avg. Asking Rent, Q3 2024	\$1,558	\$1,995	\$2,601	\$2,832	\$2,184	\$2,282
% Change Q3 2023 - Q3 2024	-1.9%	0.6%	1.8%	4.5%	5.6%	1.6%

Sources: CoStar; BAE, 2024.

## Affordable Rental Rates

Table 7 reports the rental rates that may reasonably be considered affordable at different income levels. Compared to the market rate rents as shown in Table 6, the average market rate rental for all unit sizes in Goleta in 2024 would not be considered affordable to low-income households in Santa Barbara County.

**Table 7: Affordable Homes Rental Rates, Santa Barbara County, 2024**

2024 Income Limits (a)	Persons Per Household				
	One	Two	Three	Four	Five
Acutely Low-Income (15% MFI)	\$12,500	\$14,300	\$16,050	\$17,850	\$19,300
Extremely Low-Income (30% MFI)	\$34,200	\$39,050	\$43,950	\$48,800	\$52,750
Very Low-Income (50% MFI)	\$56,950	\$65,050	\$73,200	\$81,300	\$87,850
Low-Income (80% MFI)	\$91,200	\$104,250	\$117,300	\$130,350	\$140,800
<b>Median Income (100% MFI)</b>	<b>\$83,350</b>	<b>\$95,300</b>	<b>\$107,200</b>	<b>\$119,100</b>	<b>\$128,650</b>
Moderate-Income (120% MFI)	\$100,050	\$114,300	\$128,600	\$142,900	\$154,350

Affordable Rents (b)	Unit Size				
	Studio	1-Bedroom	2-Bedroom	3-Bedroom	4-Bedroom
<b>Acutely Low Income</b>					
1-Person	\$250	\$233			
2-Person		\$278	\$261		
3-Person			\$304	\$285	
4-Person			\$349	\$330	\$305
5-Person				\$367	\$342
<b>Extremely Low Income</b>					
1-Person	\$792	\$775			
2-Person		\$896	\$879		
3-Person			\$1,002	\$983	
4-Person			\$1,123	\$1,104	\$1,079
5-Person				\$1,203	\$1,178
<b>Very Low Income</b>					
1-Person	\$1,361	\$1,344			
2-Person		\$1,546	\$1,529		
3-Person			\$1,733	\$1,714	
4-Person			\$1,936	\$1,917	\$1,892
5-Person				\$2,080	\$2,055
<b>Low</b>					
	<u>Studio</u>	<u>1-Bdrm</u>	<u>2-Bdrm</u>	<u>3-Bdrm</u>	<u>4-Bdrm</u>
1-Person	\$2,217	\$2,200			
2-Person		\$2,526	\$2,509		
3-Person			\$2,836	\$2,817	
4-Person			\$3,162	\$3,143	\$3,118
5-Person				\$3,404	\$3,379
<b>Moderate</b>					
	<u>Studio</u>	<u>1-Bdrm</u>	<u>2-Bdrm</u>	<u>3-Bdrm</u>	<u>4-Bdrm</u>
1-Person	\$2,438	\$2,421			
2-Person		\$2,778	\$2,761		
3-Person			\$3,118	\$3,099	
4-Person			\$3,476	\$3,457	\$3,432
5-Person				\$3,743	\$3,718

Notes:

(a) Income limits are based on the CA Department of Housing and Community Development-adjusted median family income of \$119,100 (\$2024).

(b) Affordable rents equal to 30 percent of gross monthly income, minus a utility allowance. The utility allowance is published by the Santa Barbara County Housing Authority. Utility allowance estimated assume that all heating, cooking, and water heating would be done using natural gas. Other electricity usage is also included, accounting for lighting, refrigeration, and small appliances.

Sources: CA Department of Housing and Community Development; Santa Barbara County Housing Authority; BAE, 2024.

Table 8 illustrates the vacancy status by type of census designated places (CDPs) and cities in Santa Barbara County. The data shows that several CDPs are more impacted by seasonal vacancy than others. For instance, in 2020, Montecito's seasonal and occasional use vacancy was 16.4 percent and University of California-Santa Barbara's was 17.3 percent.

Comparatively, Goleta's seasonal vacancy rate was 0.9 percent, with most other CDPs and cities at single digit seasonal or occasional use vacancy rates. Overall, this shows that other factors besides seasonal and occasional use are driving vacancy more significantly in Santa Barbara County.

**Table 8: Vacancy Status by Type, CDPS and Cities in Santa Barbara County, 2010 - 2020**

Study Area	2010 Census									Total Housing Units
	Occupied Units	Vacant Units	For rent	Rented, not occupied	For sale only	Sold, not occupied	For seasonal or occasional use	For migrant workers	Other vacant	
	Ballard CDP	165	23	1	0	3	0	13	0	
Casmalia CDP	57	4	2	0	0	0	0	0	2	61
Cuyama CDP	20	10	3	0	0	0	0	0	7	30
Eastern Goleta Valley CDP (b)	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Garey CDP	28	1	0	0	0	0	0	0	1	29
Isla Vista CDP	4,898	193	95	58	2	2	18	0	18	5,091
Los Alamos CDP	628	53	17	5	6	2	11	0	12	681
Los Olivos CDP	460	49	4	0	1	0	33	0	11	509
Mission Canyon CDP	1,020	55	11	1	6	1	21	0	15	1,075
Mission Hills CDP	1,182	41	4	0	7	4	1	0	25	1,223
Montecito CDP	3,432	806	89	20	63	34	538	3	59	4,238
New Cuyama CDP	177	38	6	1	2	0	5	0	24	215
Orcutt CDP	10,631	502	109	13	163	30	37	1	149	11,133
Santa Ynez CDP	1,741	145	53	0	18	6	41	0	27	1,886
Sisquoc CDP	69	4	0	0	1	0	1	0	2	73
Summerland CDP	687	136	35	0	12	3	71	0	15	823
Toro Canyon CDP	620	184	13	3	7	1	154	0	6	804
University of California-Santa Barbara CDP (b)	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Vandenberg AFB CDP	858	177	19	0	0	0	1	0	157	1,035
Vandenberg Village CDP	2,551	156	39	4	41	6	26	0	40	2,707
Buellton	1,761	84	25	3	31	4	8	0	13	1,845
Carpinteria	4,759	670	169	4	44	9	381	1	62	5,429
Goleta	10,903	570	237	15	72	18	103	1	124	11,473
Guadalupe	1,810	77	30	0	4	2	3	0	38	1,887
Lompoc	13,355	1,061	525	38	145	23	48	1	281	14,416
Santa Barbara	35,449	2,371	920	71	182	56	776	0	366	37,820
Santa Maria	26,908	1,386	522	26	271	60	107	1	399	28,294
Solvang	2,173	312	68	5	50	5	149	0	35	2,485
Santa Barbara County	142,104	10,730	3,178	288	1,270	316	3,354	23	2,301	152,834

Study Area	2020 Census									Total Housing Units
	Occupied Units	Vacant Units	For rent	Rented, not occupied	For sale only	Sold, not occupied	For seasonal or occasional use	For migrant workers	Other vacant	
	Ballard CDP	304	43	0	0	1	2	18	0	
Casmalia CDP	46	7	0	0	1	0	4	0	2	53
Cuyama CDP	14	6	0	0	0	0	0	0	6	20
Eastern Goleta Valley CDP (b)	10,208	476	76	10	68	31	160	1	130	10,684
Garey CDP	27	6	1	0	0	0	3	0	2	33
Isla Vista CDP	4,465	200	126	29	0	1	1	1	42	4,665
Los Alamos CDP	644	32	0	0	15	0	8	0	9	676
Los Olivos CDP	422	52	9	2	5	0	32	0	4	474
Mission Canyon CDP	1,041	81	21	0	9	4	28	0	19	1,122
Mission Hills CDP	1,184	42	14	2	7	3	9	0	7	1,226
Montecito CDP	3,157	1,005	68	7	60	39	684	0	147	4,162
New Cuyama CDP	200	22	0	0	0	0	0	0	22	222
Orcutt CDP	11,592	336	77	10	77	4	85	1	82	11,928
Santa Ynez CDP	1,762	101	4	0	3	5	62	0	27	1,863
Sisquoc CDP	72	4	0	0	0	0	2	0	2	76
Summerland CDP	587	153	13	0	9	10	99	0	22	740
Toro Canyon CDP	767	259	27	0	16	0	178	0	38	1,026
University of California-Santa Barbara CDP (b)	870	28	27	0	1	0	0	0	0	898
Vandenberg AFB CDP	979	17	12	2	2	0	1	0	0	996
Vandenberg Village CDP	2,726	128	39	9	17	10	21	0	32	2,854
Buellton	1,943	87	23	0	17	3	22	0	22	2,030
Carpinteria	4,968	721	73	21	32	24	475	1	95	5,689
Goleta	12,029	614	169	20	52	33	113	3	224	12,643
Guadalupe	n.a.	n.a.	6	0	4	2	14	0	30	n.a.
Lompoc	n.a.	n.a.	239	29	28	8	52	0	149	n.a.
Santa Barbara	35,383	2,825	924	127	159	133	980	5	497	38,208
Santa Maria	28,944	1,016	356	34	107	29	170	61	259	29,960
Solvang	2,463	158	20	8	14	6	66	0	44	2,621
Santa Barbara County	148,353	9,926	2,418	330	796	384	3,741	79	2,178	158,279

Number Change 2010-2020										
Study Area	Occupied Units	Vacant Units	For rent	Rented, not occupied	For sale only	Sold, not occupied	For seasonal or occasional use	For migrant workers	Other vacant	Total Housing Units
Ballard CDP	139	20	(1)	0	(2)	2	5	0	16	159
Casmalia CDP	(11)	3	(2)	0	1	0	4	0	0	(8)
Cuyama CDP	(6)	(4)	(3)	0	0	0	0	0	(1)	(10)
Eastern Goleta Valley CDP (b)	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Garey CDP	(1)	5	1	0	0	0	3	0	1	4
Isla Vista CDP	(433)	7	31	(29)	(2)	(1)	(17)	1	24	(426)
Los Alamos CDP	16	(21)	(17)	(5)	9	(2)	(3)	0	(3)	(5)
Los Olivos CDP	(38)	3	5	2	4	0	(1)	0	(7)	(35)
Mission Canyon CDP	21	26	10	(1)	3	3	7	0	4	47
Mission Hills CDP	2	1	10	2	0	(1)	8	0	(18)	3
Montecito CDP	(275)	199	(21)	(13)	(3)	5	146	(3)	88	(76)
New Cuyama CDP	23	(16)	(6)	(1)	(2)	0	(5)	0	(2)	7
Orcutt CDP	961	(166)	(32)	(3)	(86)	(26)	48	0	(67)	795
Santa Ynez CDP	21	(44)	(49)	0	(15)	(1)	21	0	0	(23)
Sisquoc CDP	3	0	0	0	(1)	0	1	0	0	3
Summerland CDP	(100)	17	(22)	0	(3)	7	28	0	7	(83)
Toro Canyon CDP	147	75	14	(3)	9	(1)	24	0	32	222
University of California-Santa Barbara CDP (b)	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Vandenberg AFB CDP	121	(160)	(7)	2	2	0	0	0	(157)	(39)
Vandenberg Village CDP	175	(28)	0	5	(24)	4	(5)	0	(8)	147
Buellton	182	3	(2)	(3)	(14)	(1)	14	0	9	185
Carpinteria	209	51	(96)	17	(12)	15	94	0	33	260
Goleta	1,126	44	(68)	5	(20)	15	10	2	100	1,170
Guadalupe	n.a.	n.a.	(24)	0	0	0	11	0	(8)	n.a.
Lompoc	n.a.	n.a.	(286)	(9)	(117)	(15)	4	(1)	(132)	n.a.
Santa Barbara	(66)	454	4	56	(23)	77	204	5	131	388
Santa Maria	2,036	(370)	(166)	8	(164)	(31)	63	60	(140)	1,666
Solvang	290	(154)	(48)	3	(36)	1	(83)	0	9	136
Santa Barbara County	6,249	(804)	(760)	42	(474)	68	387	56	(123)	5,445

Notes:

(a) Due to changes in CDP definitions that occurred between the 2010 and 2020 Decennial Census', the observed change in the total number of housing units, as well as the number of occupied and vacant units is subject to unknown error and should be interpreted with significant caution.

(b) The 2010 Decennial Census did not include this CDP as a defined geography.

## **ATTACHMENT 4**

Peer Jurisdiction Short-Term Vacation Rental Policy Review Memorandum (BAE Urban Economics, April 2026)

## Final Memorandum

**To:** City of Goleta

**From:** BAE Urban Economics

**Date:** April 2026

**Re:** Peer Jurisdiction Short-Term Vacation Rental Policy Review Memorandum

---

## INTRODUCTION

BAE Urban Economics has prepared this Memorandum (“Memo”) summarizing the short-term vacation rental (“STVR”) policies and implementation practices of several peer jurisdictions. This analysis is intended to provide context and practical insights as the City of Goleta considers potential updates to its own STVR ordinance, with a particular focus on policy effectiveness, enforcement strategies, and emerging challenges.

### Purpose and Relationship to Previous Efforts

In October 2024, the City of Goleta hired a consultant team, including BAE, to assist the City with implementation of Housing Element Program 1.7: Monitor and Address Impact of Short-Term Vacation Rentals on Existing Housing Stock, and Housing Element Program 1.8: Research Impact of Underused Housing Stock. The City of Goleta has requested this peer jurisdiction STVR memo to translate the team’s findings into specific, workable ordinance edits.

The memo provides research grounded in the implementation experience of seven peer jurisdictions to identify what STVR policies tend to work most effectively. The memo pulls together technical questions flagged by City staff along with nearby jurisdiction examples, as well as address Council’s interest in ongoing data collection and enforcement approaches. Ultimately, this memo is intended to help guide possible ordinance amendments by narrowing the decision points for Goleta City Council.

### Memo Approach and Organization

As a first step, BAE conducted a review of the adopted municipal codes and STVR ordinances for seven peer jurisdictions: Ventura, Santa Monica, Carpinteria, Morro Bay, Del Mar, Solvang, and the County of Santa Barbara. BAE worked closely with the City to vet the list of jurisdictions. Second, to understand the practical application and challenges of these policies,

BAE conducted direct interviews with senior planning and code enforcement staff in five of these jurisdictions.

The memorandum is organized into two main sections. The first section provides a high-level summary of key regulatory components for all seven comparative jurisdictions, including their approaches to key topics including:

- Extent to which “hosted” STVRs are treated differently than “non-hosted” STVRs;
- Prevalence of “caps” on the number of annual room-nights for non-hosted STVRs;
- City staff resourcing needed based on varying levels of STVR oversight;
- Identifying potential “trigger” levels of STVRs that might warrant additional caps; and
- Guidance (if any) surrounding a potential “mid-term” (e.g., 31-90 day) registry or licensing policy.

The second section summarizes findings from interviews with peer jurisdiction staff, highlighting topics such as common enforcement challenges, the technology platforms being used, staffing and cost considerations, and lessons learned.

### ***Key STVR Topics Analyzed***

#### **“Hosted” vs “Unhosted” Rentals**

Across the comparative jurisdictions, “hosted” rentals are broadly allowed when tied to a primary residence and when the host is living on-site (Ventura, Santa Monica, Carpinteria, Morro Bay; Santa Barbara County inland for homestays).

“Unhosted” rentals are a category where cities tighten their regulations: Santa Monica bans them entirely; Del Mar is moving to “hosted-only” for new permits and limits unhosted to legacy operators; Ventura and Carpinteria allow unhosted rentals but limit them by neighborhood/overlay caps; Morro Bay allows unhosted rentals with a residential cap and spacing rule while leaving commercial/mixed-use uncapped; Solvang currently doesn’t distinguish between hosted vs unhosted and instead limits where “vacation rentals” can operate.

#### **Caps on Licenses/Permits vs No License/Permit Caps**

Most comparative jurisdictions use “caps” or cap-like controls somewhere in the STVR system, but they apply them differently. Ventura and Carpinteria cap unhosted STVR permits by neighborhood/overlay areas. Morro Bay caps unhosted permits in residential zones but does not cap them in commercial and mixed-use zones, and adds a separation requirement. Del Mar sets a citywide permit limit for STVRs and restricts unhosted activity to legacy operators with neighborhood density limits and a non-transferability rule. Santa Barbara County (outside the coastal zone) allows unhosted STVRs only in certain commercial/special purpose zones, and does not apply a numerical cap there.

### **Administrative Burden and Related Considerations**

None of the comparative jurisdictions interviewed had a systemized method of accounting for resources associated with carrying out STVR policies, with many staff noting that STVR enforcement is just one part of their job.

### **“Mid-Term” Rentals**

Only the City of Santa Monica directly addresses mid-term rentals as a distinct policy category: it uses a separate residential leasing ordinance to limit 31–90 day activity by requiring an initial one-year lease term and prohibiting corporate leases, with an exception that allows licensed homeshare operators to rent mid-term under defined conditions.

### **Summary of STVR Policies by Jurisdiction**

The following section provides a high level summary of STVR policies across seven peer jurisdictions. Table 1 provides information on the seven jurisdictions, including whether hosted properties are allowed, whether unhosted properties are allowed, if there are any density/permit number/geographic restrictions, and other relevant miscellaneous information.

**Table 1: Summary of STVR Policies by Jurisdiction**

Jurisdiction	Hosted Allowed?	Unhosted Allowed?	Caps / density / geography	Other Policy Notes
<b>City of Ventura</b>	Yes (unlimited “Homestays”); must be owner primary residence and owner stays overnight nightly during guest stay	Yes (“STVR”) but capped by area; generally 1 permit per owner; permit pause until Coastal/LCP certification per ordinance timing	Area caps: Avenue 40, Downtown 100, Pierpont 100, Harbor/Keys 35, Midtown 35, Eastside 45	Updated ordinance adopted late 2024; effective after Coastal Commission certification
<b>Santa Monica</b>	Yes (unlimited “Home-sharing”); host is eligible resident; primary residence; must live on-site; 1 home-share per host; occupancy by sq ft/bedrooms (max 10)	No (“Vacation rentals” prohibited); platforms prohibited from facilitating unhosted	N/A	Mid-term (31-90) addressed separately: 1-year initial lease, no corporate leases, exception for licensed homeshare operators
<b>Carpinteria</b>	Yes (unlimited “Home stays”); primary residence; owner resides during overnight rental; max 4 guests and 1 vehicle per booking	Yes (“Vacation rentals”) in Overlay District; owner-operated; min 2-night stay	Caps by overlay area: A 55, B 115, C 30, D 18	Clear distinction by zoning overlay
<b>Morro Bay</b>	Yes (unlimited “Home-sharing”) in residential /commercial/mixed; primary residence; host on-site; occupancy 2 per bedroom; guest houses only as homeshare	Yes (“Full-home rentals”) in residential/commercial/mixed	Residential cap 175; commercial/mixed uncapped; in residential, 175-foot separation for single-family full-home rentals; occupancy 2/bed + 2, max 10	Combines cap + spacing standard

<b>Del Mar</b>	New STVR permits: primary residence only (>6 months/yr); citywide cap 129 (5%); 1 permit per owner; 3-night minimum	Only legacy unhosted allowed; new unhosted not permitted	Legacy density caps by areas (e.g., 60% North Beach, 25% South Bluff, 15% Hills); ownership transfer ends legacy status	Ordinance under Coastal Commission review
<b>Solvang</b>	Does not currently distinguish hosted vs unhosted; “vacation rentals” only in VMU zone	Same as hosted (no distinction)	Geographic limitation: VMU only	Strong operations rules: local contact within 25 miles, reachable 24/7, respond within 3 hours; occupancy formula; events max 3/year with approval; regs changing
<b>Santa Barbara County</b>	Yes (“Homestays”) inland regulated; coastal unregulated (still TOT per your text); allowed in Residential + AG-I; owner/long-term tenant on same lot; up to 3 bedrooms; 1 permit per owner	Yes but only outside Coastal Zone and only in certain Commercial/Special Purpose zones; prohibited in Residential + AG-I	No cap on unhosted permits (outside coastal zone)	County updating STVR policies

## Detailed STVR Policies by Jurisdiction

### *City of San Buenaventura (Ventura)*

The following description is based on Ventura's STVR policies found in Chapter 6.455, "Short-Term Vacation Rentals and Homestays," of Title 6 of the San Buenaventura Municipal Code (SBMC). Ventura adopted an updated Short-Term Vacation Rental and Homestays Ordinance in late 2024. The new ordinance will take effect upon certification by the California Coastal Commission.

- Hosted  
The city of Ventura allows an unlimited number of hosted permits which are referred to as "homestays" in the ordinance. There are no limitations by geography. The dwelling must be the owner's primary residence. The owner must retain primary residency and stay overnight in the unit nightly throughout the occupant's entire stay.
- Unhosted  
The city of Ventura has capped the number of unhosted, or "Short Term Vacation Rental (STVR)," permits by area. Permits will not be issued starting 30 days after passage of the ordinance until the Local Coastal Program Amendment is certified. STVRs will be subject to caps in designated areas, including Avenue (40 permits), Downtown (100 permits), Pierpont (100 permits), Harbor/Keys (35 permits), Midtown (35 permits), and Eastside (45 permits). Generally, only one STVR permit is allowed per owner.

### *City of Santa Monica*

Santa Monica's STVR policies found in (SMMC) The Home-Sharing Ordinance amends and revises SMMC Chapter 6.20. The specific ordinance is Ordinance Number 2616 (CCS), adopted September 24, 2019. Administrative rules are established pursuant to SMMC Section 6.20.080

- Hosted  
The City of Santa Monica allows an unlimited number of hosted permits which are referred to as "home-sharing" properties in the ordinance. The host must be an eligible resident (owner or long-term resident) and use the dwelling unit as their primary residence. The host must live on site in the dwelling unit throughout the visitor's stay. A host may only operate one home-share. Occupancy limits apply based on square footage and bedrooms, and occupancy may not exceed 10 persons total.
- Unhosted

The city of Santa Monica prohibits unhosted properties, referred to as “vacation rentals.” Hosting platforms are prohibited from facilitating or providing services for vacation rentals.

- Mid-Term Rentals

Unlike other jurisdictions studied or contacted, the City of Santa Monica addresses mid-term rentals as well. Santa Monica's policy for mid-term rentals (defined in the interview as lasting from 31 to 90 days) is primarily addressed through a separate ordinance called the "6.22 Residential Leasing Requirements," rather than through its main Short-Term Rental (STR) ordinance. This ordinance was created to prevent a loophole where operators might use 30+ day rentals to avoid the city's strict "homeshare" rules. Key components of this policy include:

- **One-Year Initial Lease:** The ordinance's main provision is that new residential leases must have an initial term of at least one year.
- **No Corporate Leases:** The lease must be made to an "actual person," not to a corporation. This is specifically designed to prevent companies from leasing units and then operating them as "de facto hotels" for 30+ day stays.
- **Exception for Homeshare Operators:** The city does allow for an exception. Licensed "homeshare" operators are permitted to engage in mid-term rentals under the same ordinance. This allows a person who lives in their unit (a homeshare host) to rent out their primary residence for a period of more than 30 days but less than a year, providing flexibility for residents without opening a loophole for commercial operators.

### *City of Carpinteria*

The following description is based on Carpinteria STVR policies found in Ordinance No. 708. The requirements are codified in two specific chapters of the CMC: Chapter 14.47 (Vacation Rental Overlay District). Chapter 14.52 (Home Stays).

- Hosted

The city of Carpinteria allows an unlimited number of hosted permits which are referred to as “home stay” properties in the ordinance. The property must be the owner's primary residence and the owner must reside in the unit during all overnight rental periods. There is a maximum limit of four guests and one vehicle per booking

- Unhosted

The city of Carpinteria permits unhosted properties, referred to as “vacation rentals” in the Vacation Rental Overlay District. A vacation rental license is required and geographic caps exist for the various areas within the district (Area A: 55; Area B: 115; Area C: 30; Area D: 18). Unhosted properties must be operated by the owner. An owner must rent the unit for a minimum of two consecutive nights.

### ***City of Morro Bay***

The following description is based on Morro Bay STVR policies found in Section 17.30.220, governing Short-term vacation rentals. The adopting measure is Ordinance No. 662, § 2, dated December 13, 2023.

- Hosted  
The city of Morro Bay allows an unlimited number of hosted permits which are referred to as “home-sharing” properties in the ordinance. Home-sharing is permitted in residential, commercial, and mixed-use zones. The property must be the host's primary residence, and the host must be on site throughout the guest's stay. Occupancy is limited to two individuals per bedroom. Guest houses may be used only as a home-share with the host residing in the primary residence.
- Unhosted  
The city of Morro Bay permits unhosted properties, referred to as “full-home rentals” in residential, commercial, and mixed-use zones. In residential zones, there is a cap of 175 permits, while commercial and mixed-use zones remain uncapped. Unhosted properties comply with density limitations: single-family full-home rentals in residential zones must be separated by a 175-foot radius from any other full-home rental. Occupancy is limited to two individuals per bedroom, plus two, for a maximum of ten guests.

### ***City of Del Mar***

Del Mar’s regulations were established by Ordinance No. 1010. The City created a new chapter, Chapter 30.96, Short-Term Rentals, within the Title 30 Zoning Code. Existing TOT collection is governed by DMMC Chapter 3.12. The California Coastal Commission is reviewing the passed ordinance and is not yet in effect.

- Hosted  
For new STVR properties in Del Mar, permits will be restricted to units that are the owner’s Primary Residence (lived in more than six months per year). Total STVR permits citywide are limited to 129 (5% of total dwelling units). An owner is restricted to one permit and each stay requires a three-night minimum.
- Unhosted  
Unhosted STVRs will only be allowed for legacy properties. Existing STVRs are subject to density caps (e.g., 60% in North Beach, 25% in South Bluff, 15% in Hills). Existing STVRs are retained only if the permit is maintained in good standing; transfer of ownership terminates the existing STVR status.

### ***City of Solvang***

Solvang's STVR regulations are set forth in § 11-12-20. This section was adopted by Ordinance No. 24-0378 on December 9, 2024. Transient Occupancy Tax registration is pursuant to section 3-2-4. Solvang is currently undergoing changes to its STVR regulations.

- Hosted/Unhosted  
Currently, the City of Solvang does not distinguish between hosted and unhosted properties, although new legislation will make the distinction. "Vacation rentals" are only permitted in the Village Mixed-Use (VMU) zone. A permit requires a local contact person/entity who can be reached 24/7 and resides or maintains a physical business address within 25 miles of the rental. The contact must respond, in person or by telephone, within three hours of a complaint and propose a resolution. Overnight guests are limited to two adults per bedroom plus two adults occupying another space. Special events are limited to three per year and require approval.

### ***County of Santa Barbara***

Regulations for Homestays in the Inland Area are found in the LUDC and MLUDC. Specific Homestay sections referenced include 35.442.135 and 35.42.193. Short-Term Rentals are permitted in certain commercial zones but are not allowed in Residential or AG-I zones. The County is in the process of updating its STVR policies.

- Hosted  
Santa Barbara County currently regulates and allows for hosted properties, known as "homestays". The Coastal Zone is currently unregulated but still subject to Transient Occupancy Tax (TOT). Homestays are permitted in Residential zones and the Agriculture-I (AG-I) zone. The owner or long-term tenant must inhabit a legal dwelling on the same lot at the same time as the transient occupant. Limited to renting up to three bedrooms of a legal dwelling unit. Only one homestay permit is allowed per property owner.
- Unhosted  
Unhosted properties, known as "short-term rentals" are only regulated outside of the Coastal Zone. STVRs are prohibited in Residential and Agricultural (AG-I) zones and are permitted only in certain Commercial and Special Purpose Zones. Operators must comply with development standards regarding ownership, safety codes, parking, and nuisance response documentation. There is currently no cap on unhosted permits.

## Interviews with Peer Jurisdiction Staff

BAE contacted all jurisdictions listed above and successfully interviewed staff from Santa Monica, Carpinteria, Ventura, Del Mar, and Solvang. The following section provides key themes and findings concerning staff experiences devising and carrying out STVR policy.

### *Common Themes Across Jurisdictions*

#### Preserving Long-Term Housing Stock

- Peer jurisdictions share common objectives, primarily preserving long-term housing stock and managing community impacts.

#### The Challenge of Enforcement

- A universal challenge is enforcement, which is resource-intensive. Cities are increasingly relying on third-party software (like Granicus, Rentalscape, or HDL) to identify unpermitted units and collect Transient Occupancy Tax (TOT). However, staff report these tools are not a complete solution.

#### Multifamily Building Operator Loopholes

- A significant and recurring challenge is identifying illegal operators within multi-family buildings. Evasive host tactics, such as omitting exterior photos or using vague listing names, further complicate identification.

#### Increased Fees as a Deterrent

- Several cities are moving toward more aggressive penalties, including substantial fines, to create an effective deterrent.

#### Mid-Term Rentals

- The issue of mid-term rentals (stays over 30 days) is also emerging as a potential loophole. Santa Monica is the one city with an established policy to address mid-term rentals.

#### Hosted vs. Unhosted Rental Activities

- Across jurisdictions, it was noted that hosted activity was considered less controversial and less popular than unhosted rental activities.

The following includes additional details from each city interviewed:

### ***Santa Monica***

Santa Monica's policy is focused on "homeshare" permits. Enforcement is a primary challenge, especially given the city's apartment-heavy housing stock. It is difficult for staff to identify which unit in a large building is operating illegally, a weakness of their compliance software. The city dedicates two officers (out of 12 total) to STVR enforcement. They use Host

Compliance (Granicus), which aggregates platform listings, but staff note it is better suited for single-family homes. The city does not currently aim for cost recovery on its fees. To deter violators, the city uses substantial financial penalties, which can be in the tens of thousands of dollars.

### ***Carpinteria***

Carpinteria manages its program using geographic caps. The city contracts with a third-party vendor, HDL, for day-to-day administration, including application screening, fee collection, and enforcement. In the current state, staff report dissatisfaction with enforcement, noting the difficulties in preventing future non-compliant STVRs despite current efforts. The city has two code enforcement officers to address all code related issues, not just STVR activity, but staff note this is not enough for proactive monitoring, which is currently complaint-based. Consequently, the city is moving toward more aggressive enforcement approach, recently issuing a six-figure citation. Loopholes are a challenge; operators have used complex ownership structures (like LLCs) to bypass rules that tie a license to a specific owner. Staff is cognizant of the Coastal Commission and the fact that any major changes would require substantial coordination, but that smaller changes could potentially be considered “de minimis” and therefore would not require a major multi-year consultation.

### ***Solvang***

Solvang strongly advocates for a numerical cap on permits (35 units) to protect long-term housing. The city is streamlining its program by concentrating all STVRs into a specific mixed-use (VMU) zone, which is expected to simplify enforcement. The city is implementing new software, using Rentalscape to identify units and track uncollected TOT and Granicus for its online application portal and complaint hotline. While current enforcement resources are limited and staffing levels are not specified, the city plans to adopt a "three strikes" system and institute significant daily fines (\$1,000/day) for non-permitted operation.

- Solvang city staff had previous experience revising Grover Beach’s STVR policy, where without caps, certain multifamily structures became de-facto hotels.
- Grover Beach later implemented a cap, which was split between coastal and non-coastal zones. Grover Beach distinguished between hosted and non-hosted STVRs. Hosted STVRs had no cap but brought in less revenue. The city also allowed two-week non-hosted stays, which were reportedly difficult to enforce.

### ***Del Mar***

Del Mar recently established a citywide cap of five percent of the total housing stock. A key distinction is that while existing STVRs were grandfathered, all new permits are restricted to primary residences. The city hired Deckard Technologies as its implementing consultant for registration, permitting, and auditing, at an annual cost of \$60,000. The city uses Accela for code enforcement and HDL for business license tracking. The city has not previously collected STVR application fees and does not achieve cost recovery, but it plans to introduce a fee to cover permit costs. Historically, STVRs in the city operate in order to cater to visitors to the San

Diego County Fairgrounds and race track. Current policy is designed to regulate and contain historical STVR activity, with the five percent cap roughly equating to historical STVR properties. Del Mar is waiting for the Coastal Commission to certify the updated plan. Historically, Del Mar STVRs have not generated many nuisance complaints.

### ***Ventura***

The new STVR policy's implementation is currently on hold, with a moratorium on all new applications until the Coastal Commission officially certifies the new ordinance. In the interim, enforcement efforts are focused on unpermitted rentals, a measure the council reinforced in November 2024 by approving higher fines to discourage illegal operation. The core motivations for the new ordinance are to ensure fairness and reduce neighborhood impact: it aims to prevent permit hoarding by requiring a minimum annual Transient Occupancy Tax (TOT) amount to ensure permits are actively used; it limits rental concentration by establishing area-specific caps and mandating the reduction of multi-permit ownership; and it seeks to mitigate nuisance complaints through new operational rules for on-site parking and trash disposal.

### **Applicability for City of Goleta**

This memo concludes with some key observations that the City of Goleta may wish to consider as it contemplates potential changes to its STVR ordinance.

- **Goleta is one of the few jurisdictions surveyed that does not apply different regulations to hosted versus non-hosted properties.** Jurisdictions tend to apply looser rules to hosted rentals, while applying more stringent rules to unhosted rentals. Implementing a maximum number of room nights per year for non-hosted rentals, for example, would align Goleta closer with peer jurisdictions.
- **Goleta also is one of the few jurisdictions surveyed that does not apply different STVR regulations to different geographies within the City.** This aligns with the fact that there does not appear to be a concentrated STVR presence in any one area within the City, according to an analysis conducted by BAE in 2024. Implementing cap on STVR licenses by geography could also result in the City losing access to the Airbnb portal, according to Goleta Finance Department Staff.
- **While few jurisdictions directly address Mid-Term Rentals currently, Goleta could benefit from tracking these properties.** Santa Monica is the only jurisdiction that currently has a policy addressing mid-term rentals. While a mid-term registry would require extensive resources, less burdensome alternatives worth considering might include requiring a General Business License for these rentals, and require platforms like Airbnb to report data on listings between 31 and 365 days. This would give Finance a clearer picture of how mid-term rentals are affecting the housing stock from a data perspective without requiring a full registry.

- **Budget for Ongoing Oversight of STVR License Holders.** Third-party tools like Granicus, Rentalscape, and HDL can help automate workflows, but jurisdictions note they are not a complete solution. Dedicated part-time staffing is needed for effective oversight. Until permitting demands reach a certain threshold, finance staff can retain additional staffing as needed.

Finally, the City may wish to implement an informal annual or semi-annual survey of number of active STVR licenses in the City. According to a recent review of STVR permit activity in the City of Goleta, there were fewer "Active" STVR licenses in February 2026 (33) than there were in August 2024 (51). By monitoring the trends in STVR licensing over time, the City will be better informed about the extent to which STVRs are (or are not) beginning to encroach into the housing supply in the City, allowing for more informed decision-making when it comes to STVR policy updates in the future.

**ATTACHMENT 5**

CEQA Notice of Exemption

## NOTICE OF EXEMPTION (NOE)

---

To:  Office of Land Use and Climate Innovation  
<https://ceqanet.lci.ca.gov/>

From: City of Goleta  
130 Cremona Drive, Suite B  
Goleta, CA 93117

Clerk of the Board of Supervisors  
County of Santa Barbara  
105 E. Anapamu Street, Room 407  
Santa Barbara, CA 93101



**Subject:** Filing of Notice of Exemption

---

**Project Title:** Short-Term Vacation Rental (STVR) Ordinance Amendments

**Project Applicant:** City of Goleta

**Project Location (Address and APN):** Citywide

**Description of Nature, Purpose and Beneficiaries of Project:**

The proposed ordinance includes amendments to Chapter 5.08 (Short-Term Vacation Rentals) of the Goleta Municipal Code to implement the City's Housing Element 2023-2031, specifically subprogram HE 1.7. The topics for these amendments include:

- Added definitions for "hosted and "non-hosted" STVRs,
- A waiting period for non-hosted STVR licenses for recently purchased properties and properties subject to no-fault eviction,
- A three-strike violation and STVR license suspension provision,
- A prohibition on STVR licenses for a property owned by a corporation, limited liability company, or any form of business trust, and
- A limitation on number of nights per year a non-hosted STVR may be rented.

**Name of Public Agency Approving the Project:** City of Goleta

**Name of Person or Agency Carrying Out the Project:** City of Goleta

**Exempt Status:** *(check one)*

- Ministerial (§15268)
- Declared Emergency (§15269 (a))
- Emergency Project (§15269 (b) (c))
- Categorical Exemption: (Insert Type(s) and Section Number(s))
- Statutory Exemption: Public Resources Code
- Other: CEQA Guidelines § 15060(c)(3), § 15378(a), § 15378(b)(5), § 15061(b)(3)

**Reason(s) why the project is exempt:**

The amendments are not subject to the California Environmental Quality Act (CEQA) (California Public Resources Code Sections 21000 et seq.) pursuant to Section 15060(c)(3) of the CEQA Guidelines (Title 14, Chapter 3 of the California Code of Regulations) because the activity is not a project as defined in Section 15378(a) but it is an organizational or administrative activity by government that will not result in direct or indirect physical changes in the environment pursuant to Section 15378(b)(5).

**NOTICE OF EXEMPTION (NOE)**

---

The amendments are also exempt from CEQA pursuant to Section 15061(b)(3) of the CEQA Guidelines because the activity is covered by the general rule which exempts activities that can be seen with certainty to have no possibility for causing a significant effect on the environment.

**City of Goleta Contact Person:**

---

Peter Imhof	Director, Planning & Environmental Review	Date
-------------	---	------

**ATTACHMENT 6**

Staff Presentation

# Short-Term Vacation Rental Ordinance Amendments (and Administrative Changes)

Presentation By:

Anne Wells, Advance Planning Manager

Molly Cunningham, Assistant Planner

Aaron Barker and Jacob Richey, BAE Urban Economics

May 5, 2026



# Background

- Housing Element Programs
  - HE 1.7 Monitor and Address Impact of Short-Term Vacation Rentals (STVRs) on Existing Housing Stock
- In 2025, BAE prepared a STVR and Underused Housing Stock Study
- Study presented to City Council on May 20, 2025
  - Council direction to pursue STVR ordinance amendments and procedural changes



# Background

- Peer Jurisdiction STVR Policy Review Memorandum
  - Review of adopted STVR policies in seven peer jurisdictions
  - Interviews with Planners and Code Enforcement at five jurisdictions



# Chapter 5.08 Amendments

- Adding Definitions (Recommendation 1 and 13)
  - “Hosted” vs “Non-Hosted”
- Prohibit Non-Hosted STVR Licenses of Properties Subject to a No-Fault Eviction in the last 24 months (Recommendation 6 and 17)
- Prohibit Non-Hosted STVR Licenses on Properties Purchased in the last 24 months (Recommendation 7 and 17)



# Chapter 5.08 Amendments

- Three-Strike Violation Policy Resulting in License Suspension (Recommendation 8)
- Limitations on Number of Non-Hosted Nights Per Year (Recommendation 16 and 17)
  - 120 Cumulative days per calendar year
- Corporate-owned Housing STVR Licensing Prohibition (Recommendation 14)



# Administrative Changes

- Updated Forms and Additional Data During STVR Licenses Process (Recommendation 2, 3, and 4)
- STVR Property Search Tool (Recommendation 5)
- Create a Mid-Term Rental Registry (Recommendation 15)
- Good Neighbor Guidelines (Recommendation 18)



# CEQA

- Exempt due to CEQA guidelines:
  - §15060(c)(3) and §15378(b)(5) (not a project)
  - §15061(b)(3) (no possibility for causing a significant effect on the environment)
- A Notice of Exemption has been prepared for the project



# Staff Recommendation

A. Introduce and conduct first reading (by title only) and waive further reading of Ordinance No. 26-\_\_\_, entitled "An Ordinance of the City Council of the City of Goleta, California, Amending Chapter 5.08 (Short-Term Vacation Rentals) of the Goleta Municipal Code and Finding the Action to be Statutorily Exempt from the California Environmental Quality Act under CEQA Guidelines §§ 15060, 15061, and 15378 (Case No. 25-0006-ORD)."

B. Provide feedback to staff on proposed administrative changes.

