



**Agenda Item B.1**  
**DISCUSSION/ACTION ITEM**  
**Meeting Date: March 10, 2025**

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**TO:** Planning Commission Chair and Members

**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 whether and what changes to pursue 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. Potential regulations that will be considered include but are not limited to: STVR rental caps (Citywide or by area of the City), separation requirements between STVRs, owner-occupant requirements, different regulations based

on the type of STVR (entire unit, guesthouse, or bedroom), and limits on the number of STVRs owned and/or operated by one person or entity.” STVR research and ordinance amendments is a work priority assigned by City Council in the Fiscal Year 2024-2025 Annual Work Program for the Planning and Environmental Review Department

Currently, the City regulates STVR 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, but which simply 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).

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 was tasked with preparing an STVR and underused housing stock report, including key findings and possible solutions to address current issues and prevent reasonably anticipated future problems related to STVRs and underused housing.

## **DISCUSSION:**

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

BAE compiled their research into a Short-Term Vacation Rental and Underused Housing Stock Study (Study), provided as Attachment 1. The Study includes an analysis of the local STVR and seasonable vacancy market to assess the extent to which there may (or may not) be a significant loss of existing permanent housing due to permitted and unpermitted STVRs. 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 any issues identified. The Study is structured as follows:

- **Introduction.** This section includes background on the Housing Element 2023-2031 subprograms being addressed and lays out the goals of the two housing programs being addressed. The goal of these 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. This section also includes study organization,

data sources, definitions, and key findings. Data sources include City STVR license data; the U.S. Census Bureau; AirDNA, a private data vendor that includes data for properties listed on Airbnb and VRBO; and CoStar, a real estate data company. The key findings are provided later in the Discussion.

- **Trends in the Hotel and STVR Inventory.** This section includes analysis of the current STVR market in the City of Goleta and neighboring Santa Barbara County. The section includes a summary of how STVRs are currently permitted, a rough estimate of how many STVRs are currently operating, and a description of how they function within the regional tourist accommodations market. This section noted that there are approximately 51 “active” STVR permits in Goleta as of August 2024, and those STVRs generated \$245,856 of transient occupancy tax in Fiscal Year 2023-2024.
- **Trends in Housing Utilization.** This section provides insight into the utilization of residential land use resources in the City of Goleta and Santa Barbara County as a whole, and reports data necessary to facilitate comparison between residential vacancy trends and trends in the prevalence of STVRs. This section also includes an emphasis on housing data regarding seasonal vacancy and the trends in seasonal vacancy over time. Approximately 103 housing units (0.9 percent of total housing stock) in the City of Goleta were reserved for seasonal use in 2010. By 2020, this share dropped to 93 units (0.7 percent of total housing stock) of the City’s housing stock.
- **STVR Regulations in Other Communities.** This section includes research regarding STVR regulatory frameworks implemented in other jurisdictions. This section also includes comparisons across jurisdictions on data such as number of STVRs allowed to be permitted, STVR density limits, local application procedures and policies related to fractional ownership models. The section emphasizes potential regulatory and / or best practice responses that align with the characteristics of Goleta’s STVR market. This section also analyses the City of Santa Barbara’s STVR regulations, noting that STVRs are prohibited in most areas, especially in inland residential zones. The analysis in this section shows that other jurisdictions analyzed utilize a variety of methods to regulate STVRs, with most utilizing a cap on STVRs, geographic or density limits, and/or owner-occupied exemptions. City staff also reviewed other jurisdictions in the area, including the Cities of Santa Monica, Ventura, Carpinteria, and Solvang and the County of Santa Barbara and found similar approaches to regulating STVRs as what is documented in the Study.
- **Impact of Visitor Spending on Workforce Housing.** This section estimates demand for workforce housing created as a result of STVR occupancy and associated visitor spending. The Study includes a calculation that each STVR in the City is likely to support around 1.5 jobs across the economy and the City may likely experience demand for 0.78 new workforce housing units for each new STVR that enters the market on average.

- **Recommendations.** This section provides the City with a menu of recommendations (20 in total) for monitoring and addressing the impact of STVRs and secondary home ownership on the local housing stock. More details on these recommendations are included later in the Discussion.
- **Appendices.** Appendix A provides information on hotel trends, specifically tourism's economic contribution to the City. Appendix B provides supplemental housing data, including rent rates, impacts on workforce wages, and housing demographics.

### *Key Findings*

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.** A “seasonal” housing unit is as vacant housing unit intended for “seasonal, recreational, or occasional use” (which can include STVRs but it not limited to STVRs). According to U.S. Census data, approximately 0.7 percent of housing stock in the City served as a seasonal use in 2022 (93 units), the most recent year data is 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.
- **Not all housing units in the City of Goleta classified as “seasonal units” are necessarily being used as STVRs.** The City of Goleta had approximately 93 housing units classified as seasonal in 2022 according to U.S. Census data. Meanwhile, 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.** According to City data, as of August 2024, nearly one-fourth (23 percent) of the City's STVR listings were not “entire place” listings, but instead were for private rooms within larger units. 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 either full or part-time, and short-term renting 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 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. 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 around 3.0 percent.

- The above data indicates that 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.** “Underused” housing stock is generally defined in this Study as a property that falls into one of the following categories of vacant housing, for “Seasonal” or occasional use, or “Other Vacant” Housing units. “Seasonal or occasional use” accounts for 0.7 percent of housing units 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 of Goleta 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. If all underutilized housing stock were to immediately be placed on the market for rent or for sale, the City’s functional vacancy rate may be expected to increase to around 5.1 percent.

### *Study Recommendations*

As noted above, the Study presents 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 decision-makers 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 Goleta Municipal Code to better reflect the functional differences between different forms of transient visitor accommodations (such as hosted vs. non-hosted).
2. Collect additional attribute data when issuing licenses in order 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.

3. Update the data collection to provide data that can be used for ongoing monitoring, analysis, and enforcement, such as:
  - Transient Occupancy Tax (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.
  - Availability. Collect information on the number of nights per month that the property was made available for occupancy by short-term visitors.
  - Occupancy. Continue to collect information on the number of nights per month that the property was booked for occupancy by visitors.
4. Maintain and update annual relicensing procedures to ensure applicable code requirements, such as the fire and safety codes, are met.
5. Create an STVR property search tool, in order to provide greater public transparency, facilitate identification of non-compliant properties, and encourage the prompt resolution of nuisance issues and associated complaints.

#### 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 short-term renting of properties recently subject to a no fault eviction in order to reduce the incentive for property owners to evict existing tenants in order to convert the property to an STVR.
7. Establish a STVR permit waiting period for new home purchases of at least one year following the purchase of a residential property before that property is eligible to apply for an STVR permit.
8. Implement enhanced enforcement penalties, such as a “three strikes” policy or points system, that would allow the City to revoke STVR licenses from operators that repeatedly violate STVR regulations noted in the GMC, adopted nuisance standards, and/or who fail to demonstrate a good faith attempt to address problems in a timely manner.

#### Limit the Number and Type of STVRs

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

9. Limit the total number of STVRs that may be permitted within the City at any given time.
10. Create a mechanism to reduce allowed permits and/or discontinue an allowance for STVRs when directed by City Council.

#### 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. These could likely be implemented through amendments to the City's zoning regulations in Title 17 of the GMC rather than Title 5. The recommendations are as follows:

11. Apply different standards/allowances within specific geographic subareas that can help to ensure the availability of visitor accommodations in appropriate areas, such as in the Coastal Zone. This approach could also limit STVRs in certain residential zone districts.
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 that may be short-term rented. This approach could serve as an alternative, or in addition, to geographic standards in Recommendation 11 above.

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

13. Update definitions, see Recommendation 1 above.
14. Establish code provisions regarding fractional ownership and timeshares, 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.
15. Create a registry for leases of 31 to 90 days and 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.
16. Establish 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 limitation can reduce the financial incentive to buy second homes to use as STVRs.

17. Consider fewer restrictions on hosted STVRs or 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.

### ***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" as noted in the City's STVR Performance Standards. As noted in GMC subsection 5.08.085(H)(10), 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.
19. 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. Take steps to encourage and facilitate construction of a diversity of housing types that meet the needs of a wide array of workforce households. Note that this recommendation already aligns with programs in the City's Housing Element 2023-2031.

### **Staff Recommendation in Response to the Study**

While acknowledging that the Study results indicate a low percentage of housing units utilized for STVRs or other forms of underused housing, City staff broadly supports the recommendations in the Study. City staff requests direction as to whether Planning Commission would like City staff to pursue some combination of the recommendations provided for in the Study. Such a direction 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.

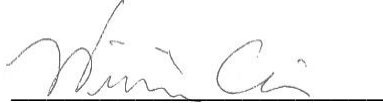
Any future amendments to Title 17 would return to Planning Commission at a public hearing to consider a recommendation to City Council. All potential GMC amendments would then be considered by the full City Council at a public hearing.



**FISCAL IMPACTS:**

The fiscal impacts related to this Study are included under the budget allocated for the BAE agreement, with a not-to-exceed amount of \$66,100 for the agreement. Funds for the agreement are available in the Fiscal Year 2024/25 budget in General Ledger Account #101-40-4300-51200 (Professional Services) and #101-40-4300-51207 (Professional Services – Zoning Code).

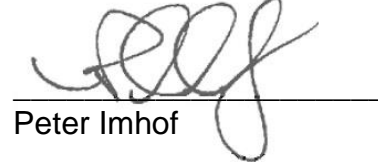
Legal Review By:



Winnie Cai

Assistant City Attorney

Approved By:



Peter Imhof

Director of Planning and  
Environmental Review

**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

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# 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:

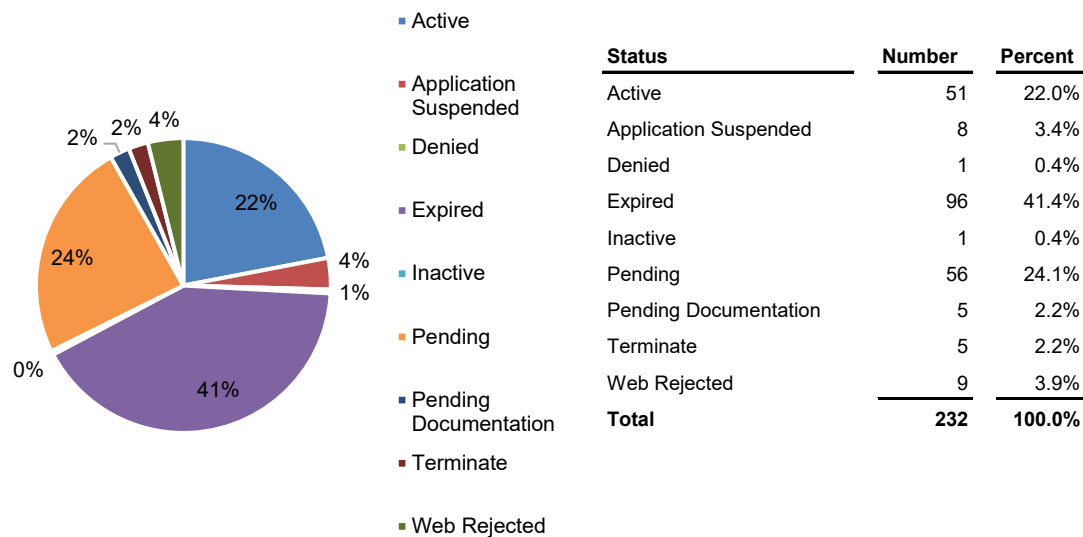
- Unpermitted STVRs advertised on platforms such as AirBnb
- Lack of code compliance with respect to STVR requirements

**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.

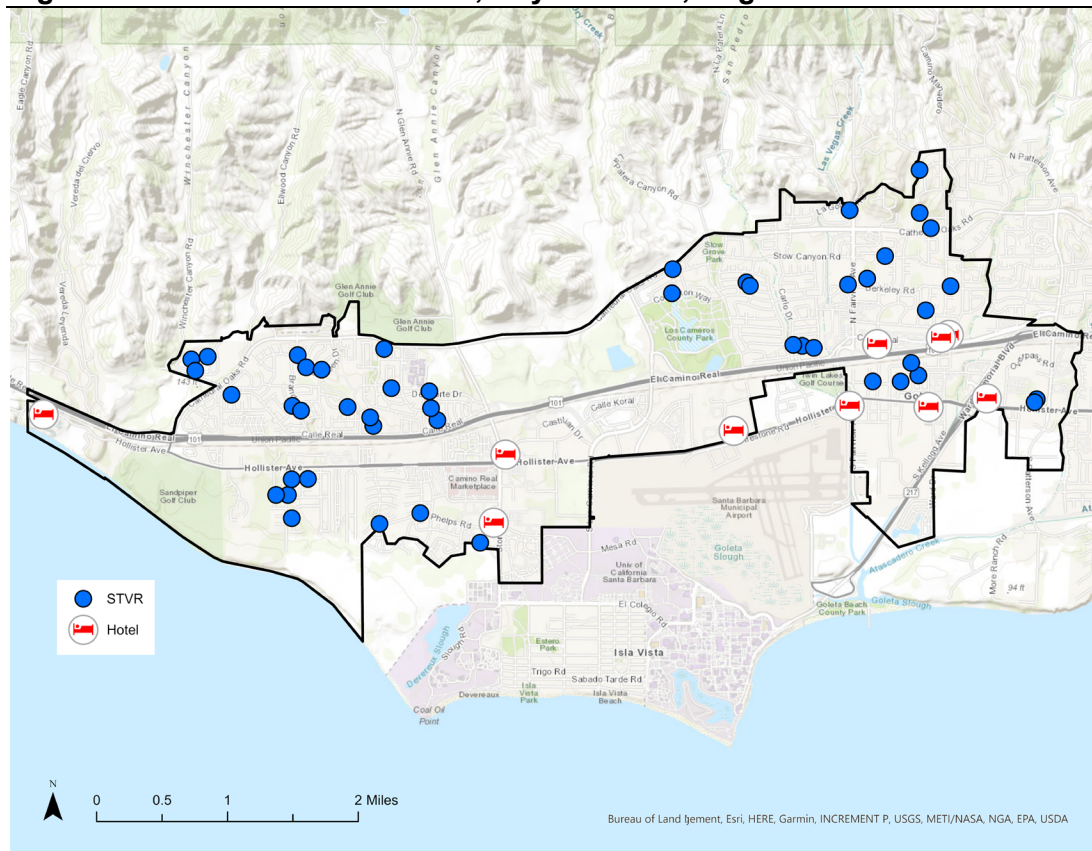
**Location of Permitted STVRs**

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

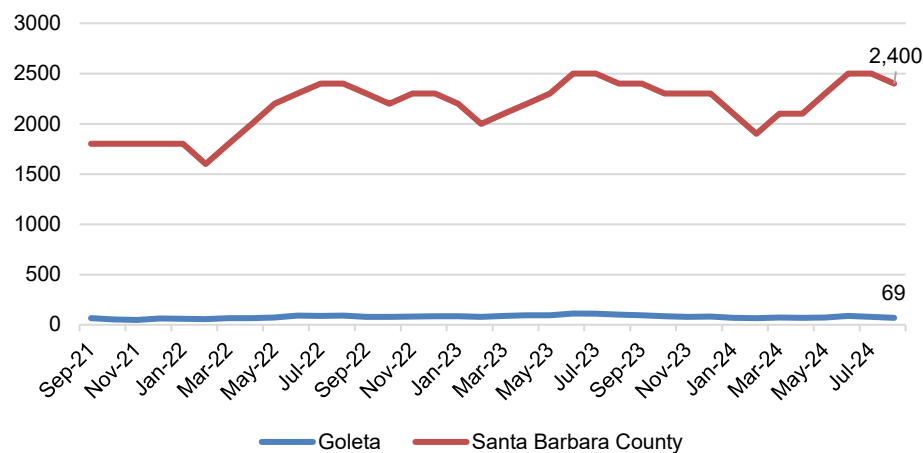


### ***Trends in Active STVR Listings***

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***

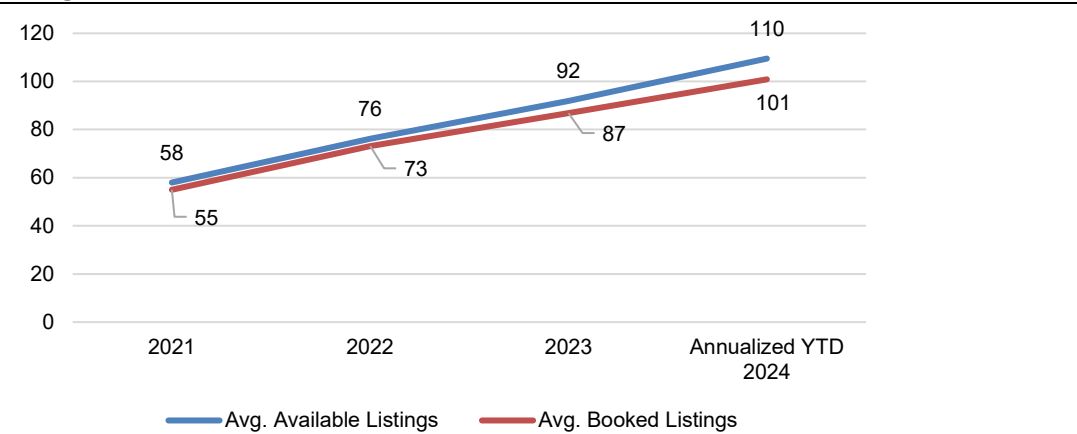
Figure 4 below displays the increase in the number of STVR listings in the City of Goleta between 2021 and 2024, according to data furnished by AirDNA. As shown in the table, the average number of booked listings in the City rose from 55 in 2021 to 101 in 2024, on an annualized basis.

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**



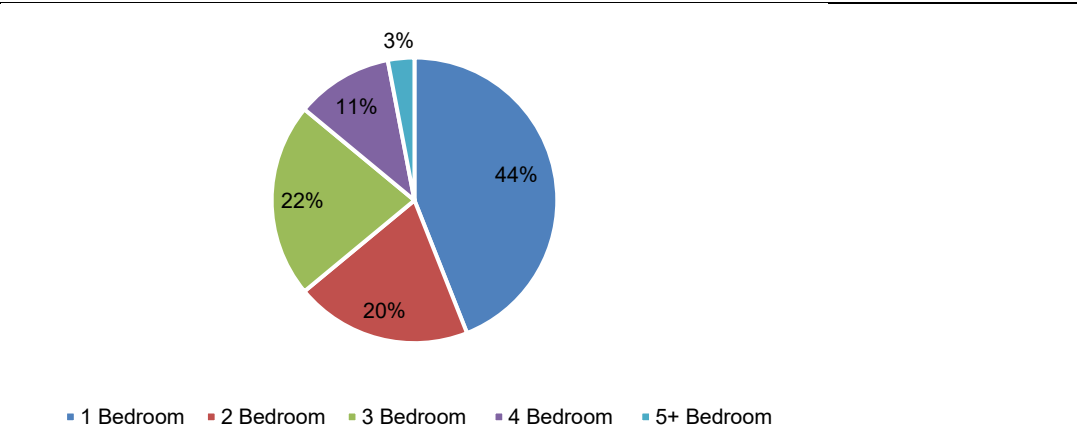
Note:  
The available data for 2024 was August 2024, and it was annualized by finding the average and multiplying by the number of months in a year.

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.

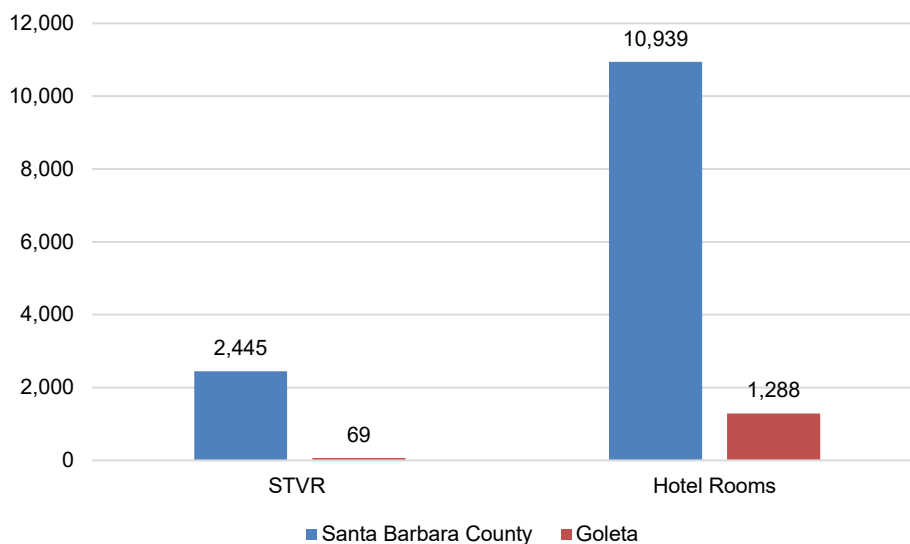
Hotel rates are typically tracked based on the average daily rate (ADR), as well as the average revenue per available room night (RevPAR). Goleta's ADR (\$361) and RevPAR (\$283) are slightly higher than Santa Barbara County's ADR (\$297) and RevPAR (\$227).

**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***

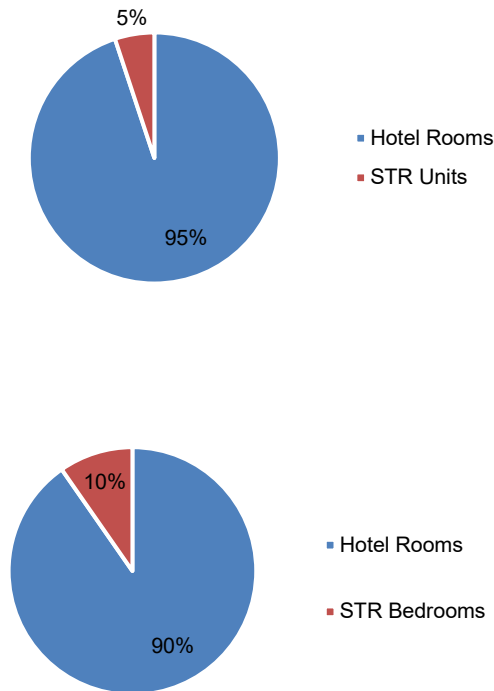
Traditional Hotel rooms comprise the majority of overnight visitor accommodations inventory in the City of Goleta when compared to available STVR units. As shown in Figure 7, STVRs account for 5 percent of traditional hotel rooms in the City, and 10 percent of hotel bedrooms.

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.

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

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Sources: CoStar, AirDNA; BAE, 2024.

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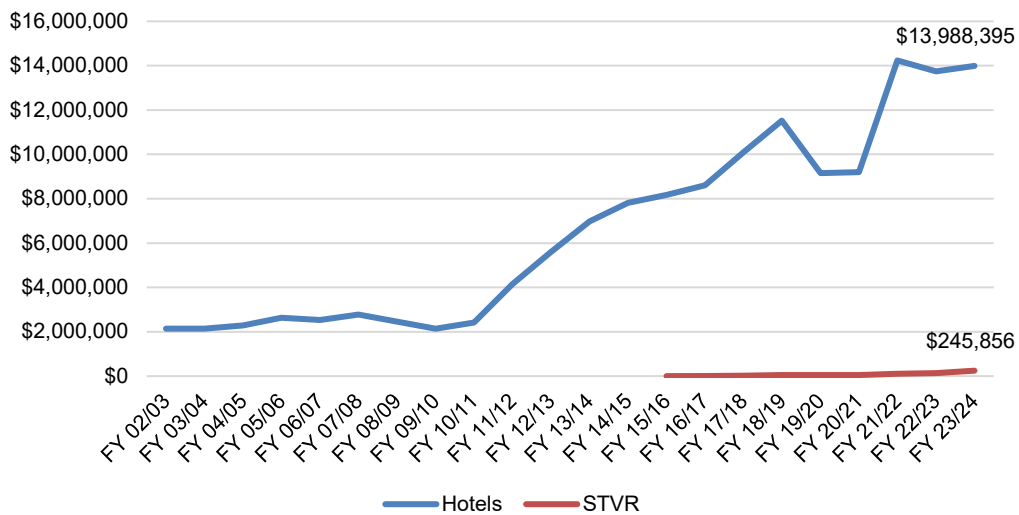
### ***STVR TOT Revenue as Share of Traditional Lodging***

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**

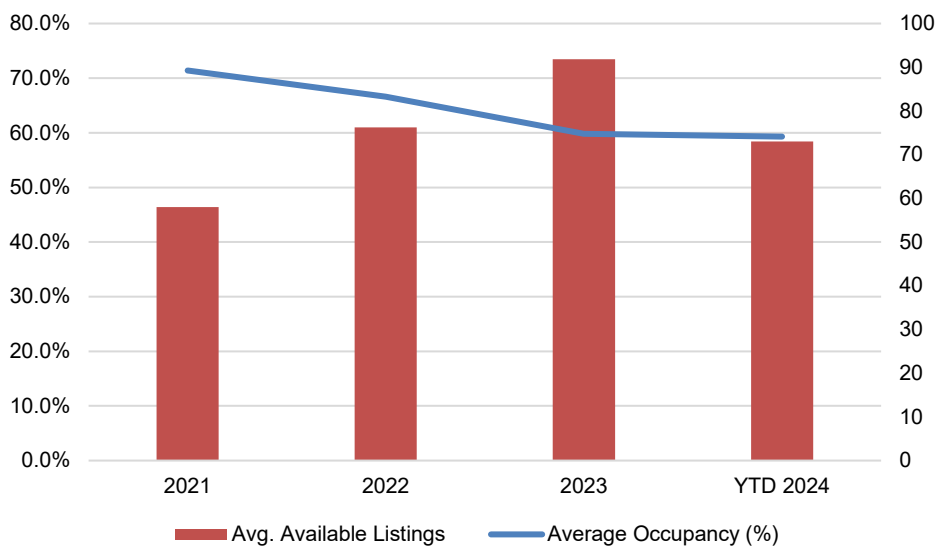


Sources: City of Goleta Finance Department; BAE, 2024.

### ***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**

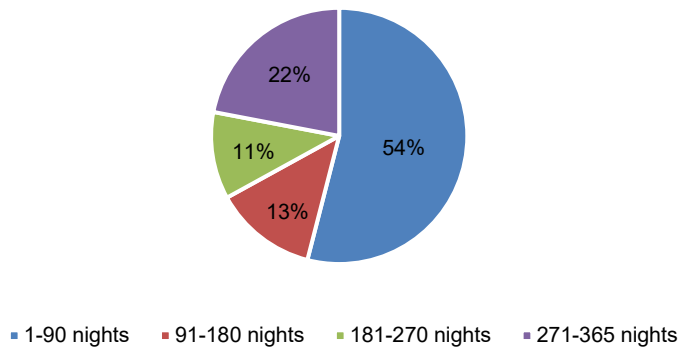


Sources: AirDNA; BAE, 2024.

**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 are annually available for 90 nights of 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**



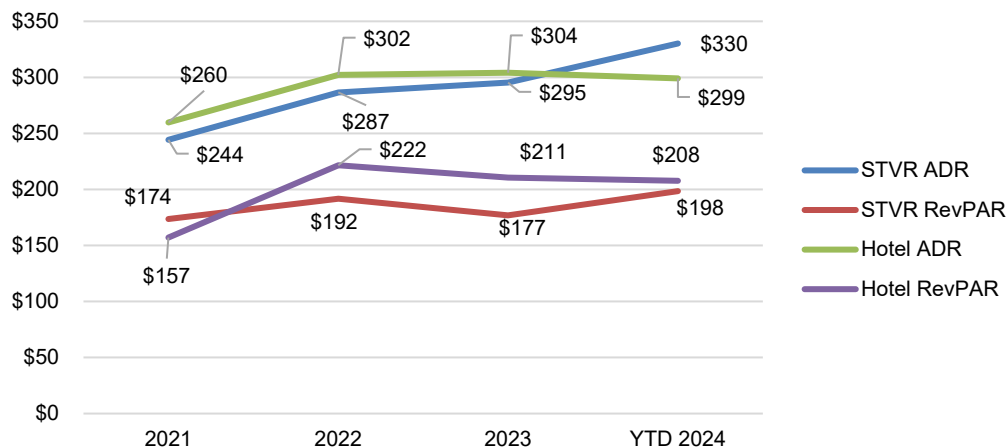
Sources: AirDNA; BAE, 2024.

**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**

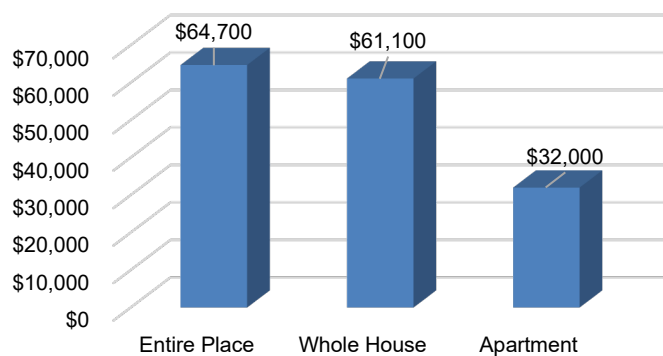


Sources: AirDNA, CoStar, BAE, 2024.

### ***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.

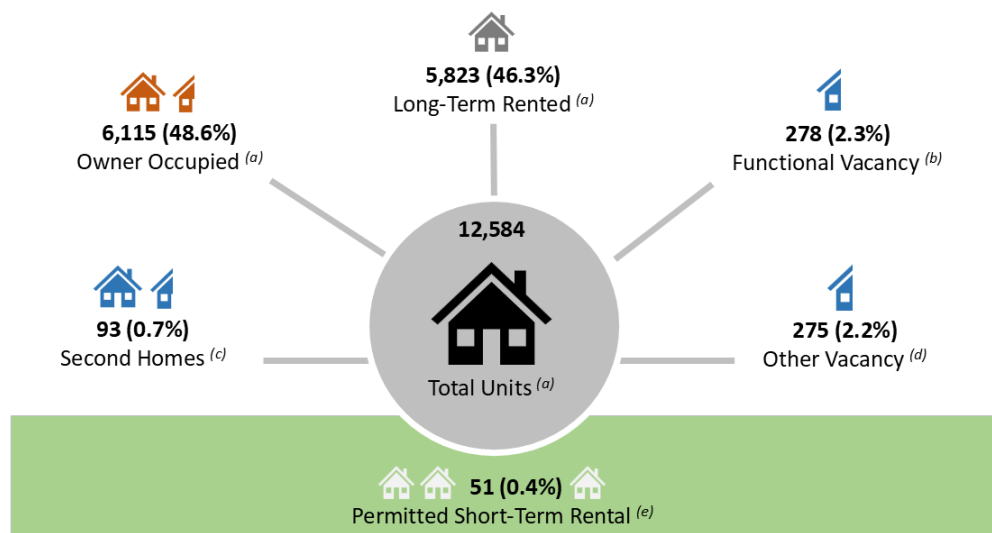
### **Of the City’s approximately 12,584 housing units:**

- 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**

	2010		2020		Change 2010-2020		2022	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
<b>City of Goleta</b>								
<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>
	2010		2020		Change 2010-2020		2022	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
<b>City of Santa Barbara</b>								
<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>
	2010		2020		Change 2010-2020		2022	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
<b>Santa Barbara County</b>								
<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	
City of Goleta	Number	Percent	Number	Percent	Number	Percent	Number	Percent
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>

	2010		2020		Change, 2010-2020		2022	
City of Santa Barbara	Number	Percent	Number	Percent	Number	Percent	Number	Percent
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>

	2010		2020		Change, 2010-2020		2022	
Santa Barbara County	Number	Percent	Number	Percent	Number	Percent	Number	Percent
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

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<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.

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<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.

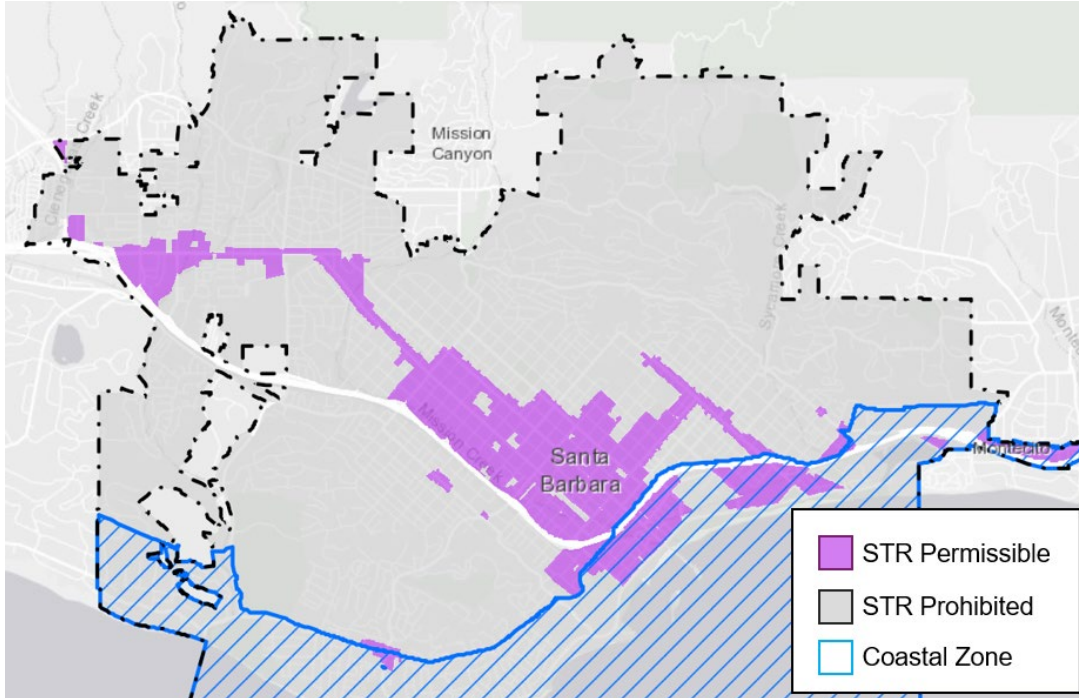
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<sup>7</sup> City of Santa Barbara. Council Agenda Report: Short-Term Rental Enforcement Pilot Program [Resolution]. 25 Apr. 2023, Agenda Item No. 15, File Code No. 660.01. Santa Barbara City Attorney's Office and Finance Department.

<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.

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<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
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**Jobs Supported by Accommodation Type**

Short-Term Vacation Rental (d)	2,334
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**Visitor Party Nights by Accommodation Type**

Short-Term Vacation Rental (e)	277,871
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**Visitor Nights Per Job Supported**

Short-Term Vacation Rental (f)	119
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**STRs Per Workforce Unit Demanded**

Ave. Occ. Nights Per Year (g)	173
Jobs Per Average STR (h)	1.5
Workers Per Workforce Household (i)	1.86
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**

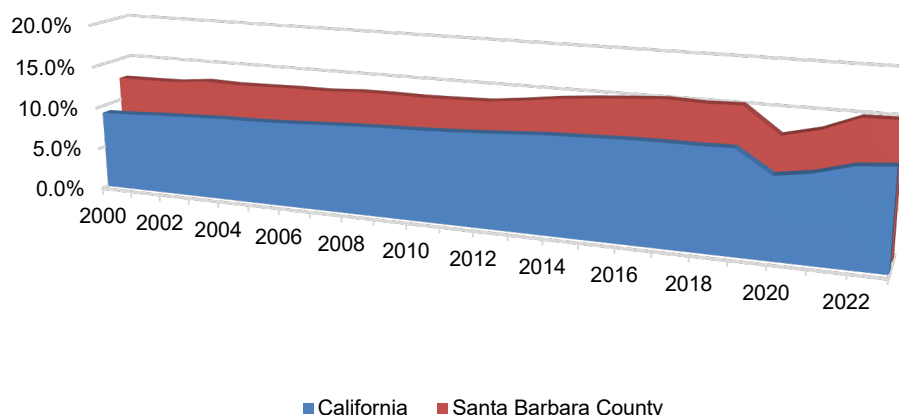
To better manage/mitigate the impact of STVRs and underused housing on the housing market, the City should take steps to encourage and facilitate construction of a diversity of housing types that meet the needs of a wide array of workforce households, including smaller single-family units (both detached 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.

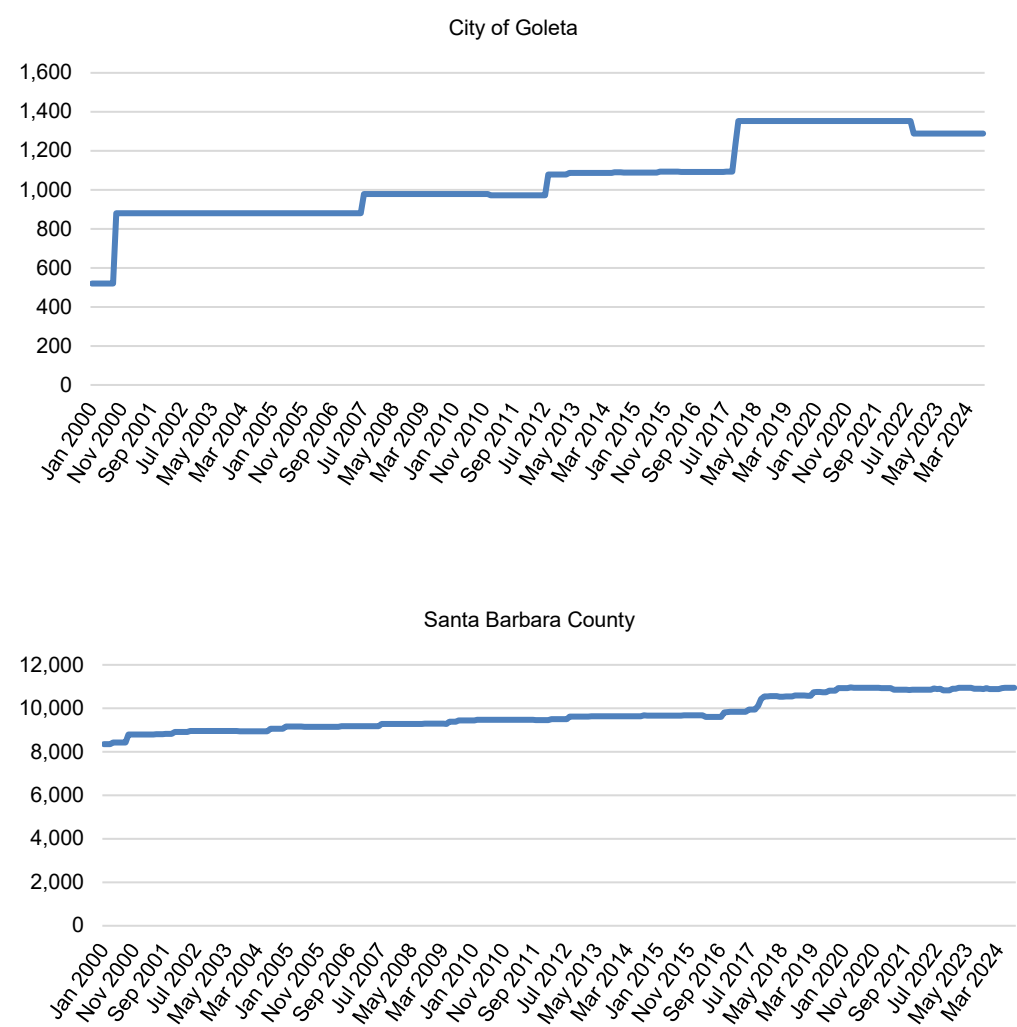
### *Hotel/Motel Inventory*

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**



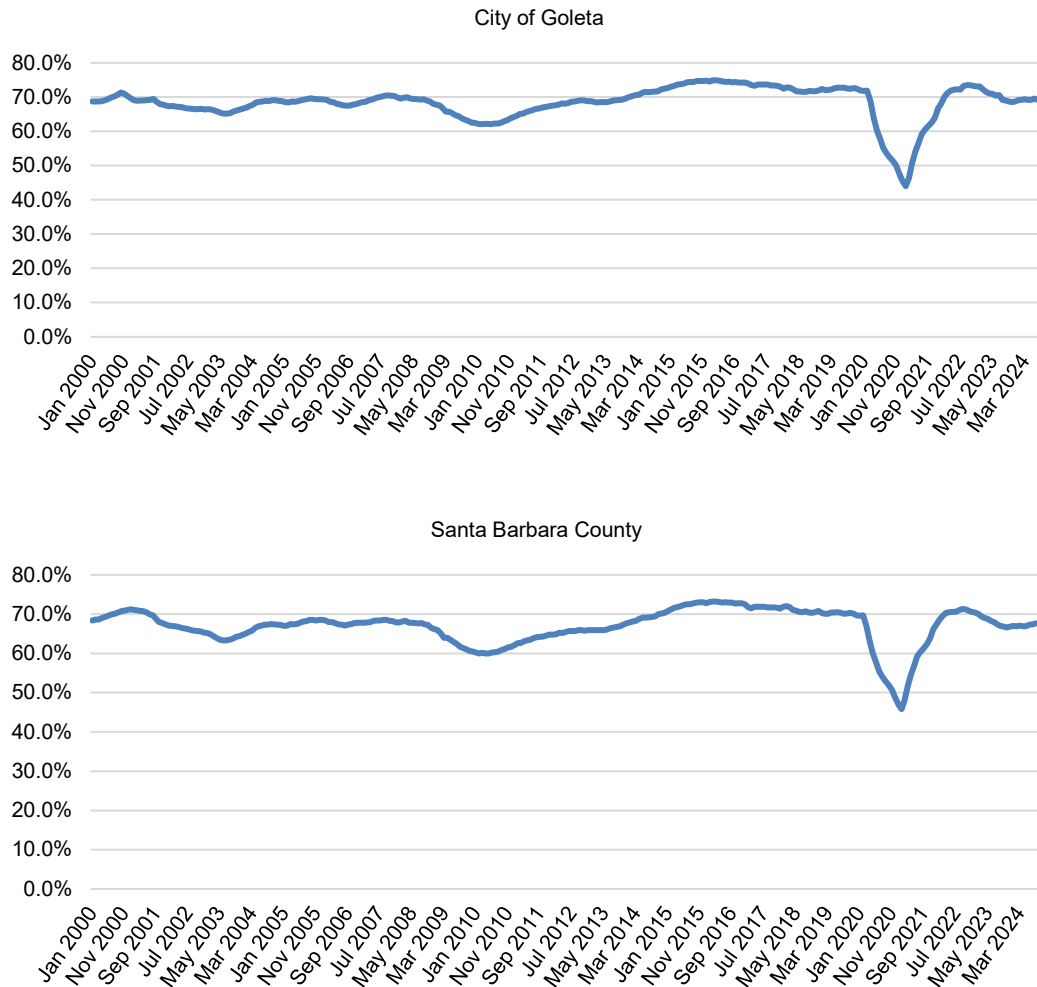
Sources: CoStar; BAE, 2024.

***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**



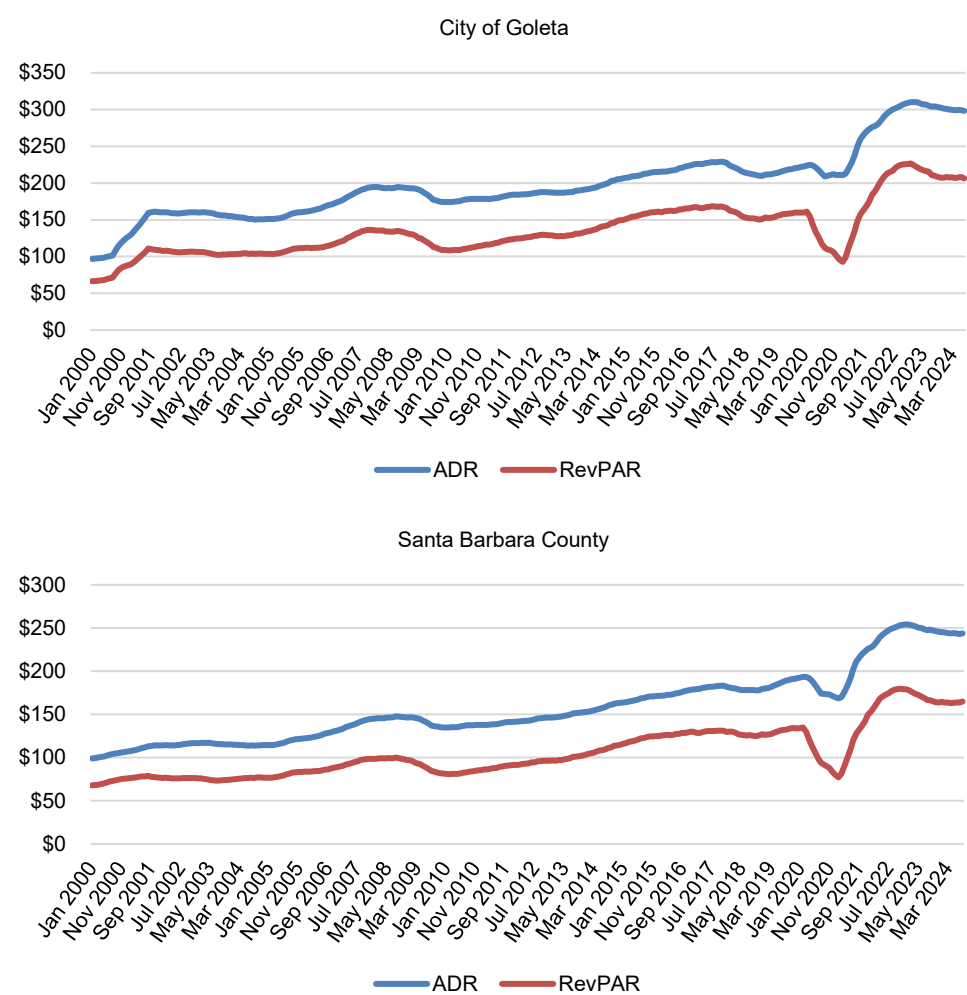
Sources: CoStar; BAE, 2024.

### ***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**



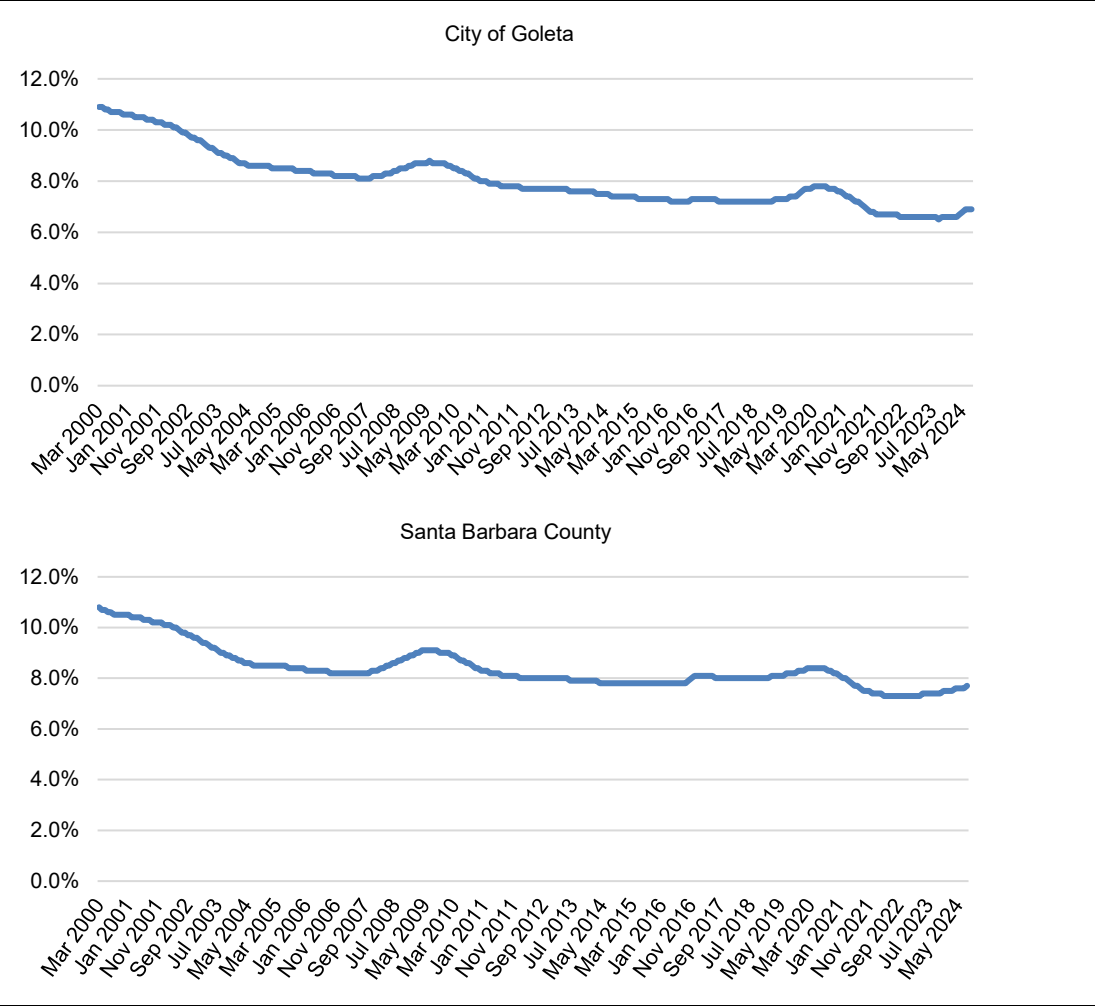
Sources: CoStar; BAE, 2024.

### ***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**

<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 \$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>	<b>n.a.</b>	<b>1,143</b>	<b>1,522</b>	<b>2,122</b>	<b>1,850</b>	
<b>Average Lot Size (sf)</b>	<b>n.a.</b>	<b>8,494</b>	<b>8,317</b>	<b>107,295</b>	<b>65,889</b>	
<b>Average Price per sf</b>	<b>n.a.</b>	<b>\$940</b>	<b>\$1,016</b>	<b>\$885</b>	<b>\$941</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	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>	<b>741</b>	<b>1,099</b>	<b>1,411</b>	<b>2,044</b>	<b>1,160</b>	
<b>Average Lot Size (sf)</b>	<b>497</b>	<b>871</b>	<b>1,597</b>	<b>2,415</b>	<b>1,116</b>	
<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**

<b>2024 Income Limits (a)</b>	<b>Persons Per Household</b>				
	<b>One</b>	<b>Two</b>	<b>Three</b>	<b>Four</b>	<b>Five</b>
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

<b>Affordable Rents (b)</b>	<b>Unit Size</b>				
	<b>Studio</b>	<b>1-Bedroom</b>	<b>2-Bedroom</b>	<b>3-Bedroom</b>	<b>4-Bedroom</b>
<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>	<b>Studio</b>	<b>1-Bdrm</b>	<b>2-Bdrm</b>	<b>3-Bdrm</b>	<b>4-Bdrm</b>
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>	<b>Studio</b>	<b>1-Bdrm</b>	<b>2-Bdrm</b>	<b>3-Bdrm</b>	<b>4-Bdrm</b>
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**

2010 Census										
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	165	23	1	0	3	0	13	0	6	188
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

2020 Census										
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	304	43	0	0	1	2	18	0	22	347
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 2**  
**Staff Presentation**

# Short-Term Vacation Rental and Underused Housing Stock

March 10, 2025

Planning Commission

*Presentation by:*

Anne Wells, Planning Manager

Andy Newkirk, Supervising Planner

Molly Cunningham, Assistant Planner

Aaron Barker, Associate Principal BAE



# Background

- Current Regulations of Short-Term Vacation Rentals (STVRs)
  - Chapter 5.08: Short-Term Vacation Rentals
    - Administered by Finance Department
    - STVR License Requirements
  - Title 17 (Zoning)
    - STVRs not treated as a “use”; no development standards



# Background

- The City adopted the Housing Element 2023-2031 on December 5, 2023
  - HE 1.7 Monitor and Address Impact of STVRs on Existing Housing Stock
  - HE 1.8 Research Impact of Underused Housing Stock
- City contracted with BAE for support on these programs
  - Prepared Short-Term Vacation Rental and Underused Housing Stock Study





# Outline of Short-Term Vacation Rental and Underused Housing Study

- Introduction
- Trends in the Hotel and STVR Inventory
- Trends in Housing Utilization
- STVR Regulations in Other Communities
- Impact of Visitor Spending on Workforce Housing
- Recommendations
- Appendices

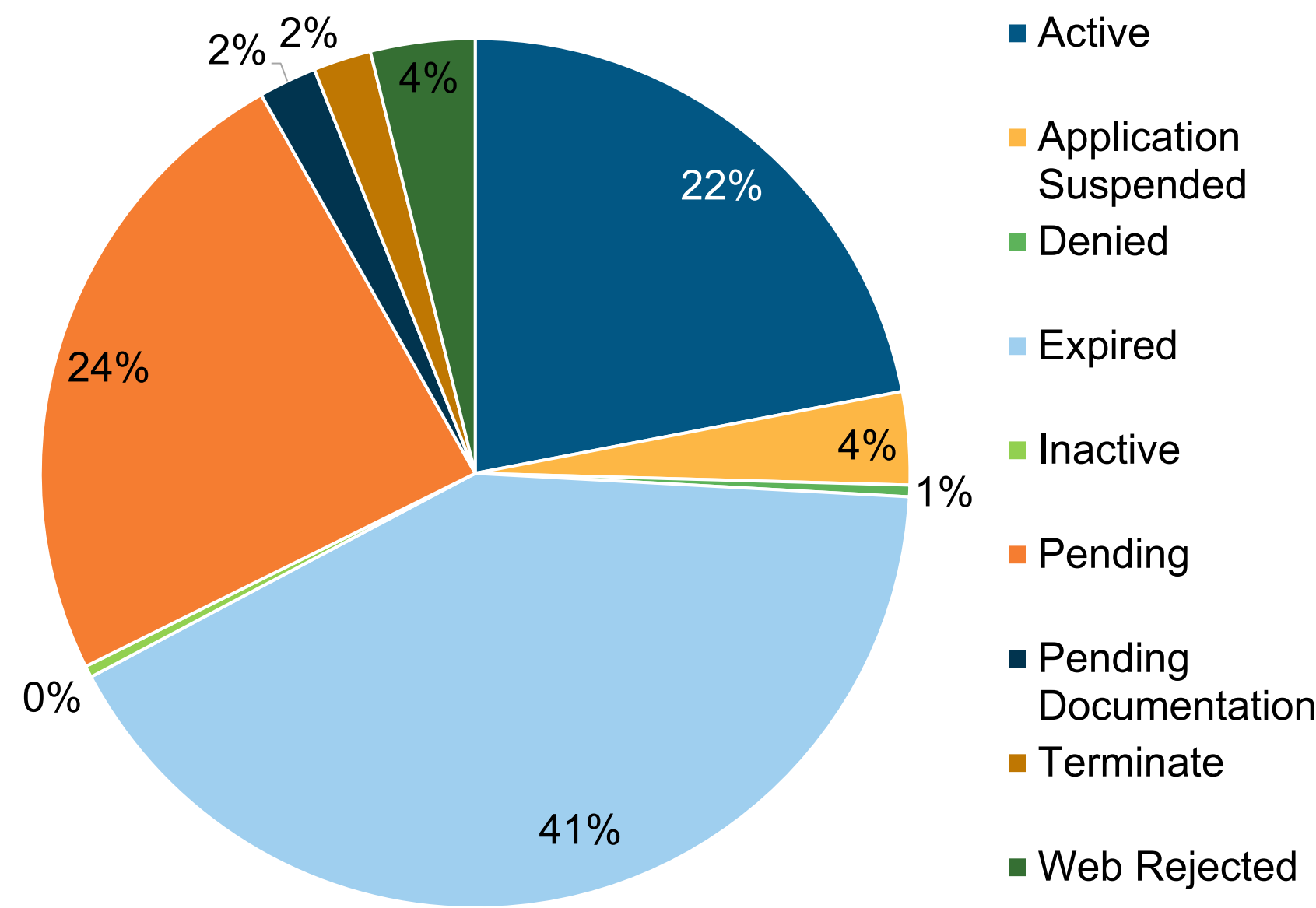


# Introduction - Purpose

- Implement HE 1.7 and 1.8
- 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.



# Trends in Hotel and STVR Inventory – STVR Permits in City of Goleta



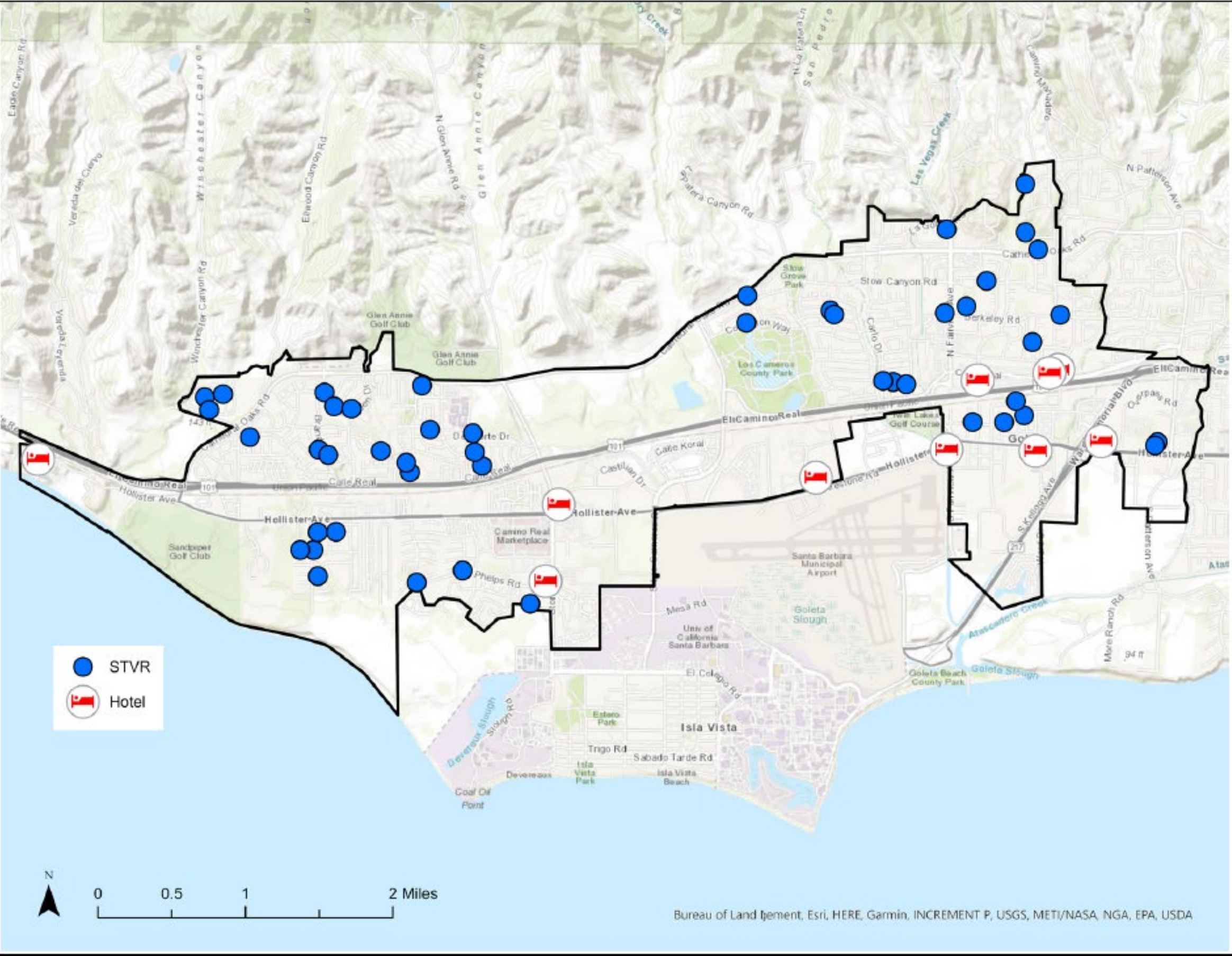
Status	Number	Percent
Active	51	22.0%
Application Suspended	8	3.4%
Denied	1	0.4%
Expired	96	41.4%
Inactive	1	0.4%
Pending	56	24.1%
Pending Documentation	5	2.2%
Terminate	5	2.2%
Web Rejected	9	3.9%
<b>Total</b>	<b>232</b>	<b>100.0%</b>

Sources: City of Goleta Finance Department; BAE, 2024.  
 Duplicate properties exist in this database, however, no property is classified as “Active” was not currently active as of October 2024





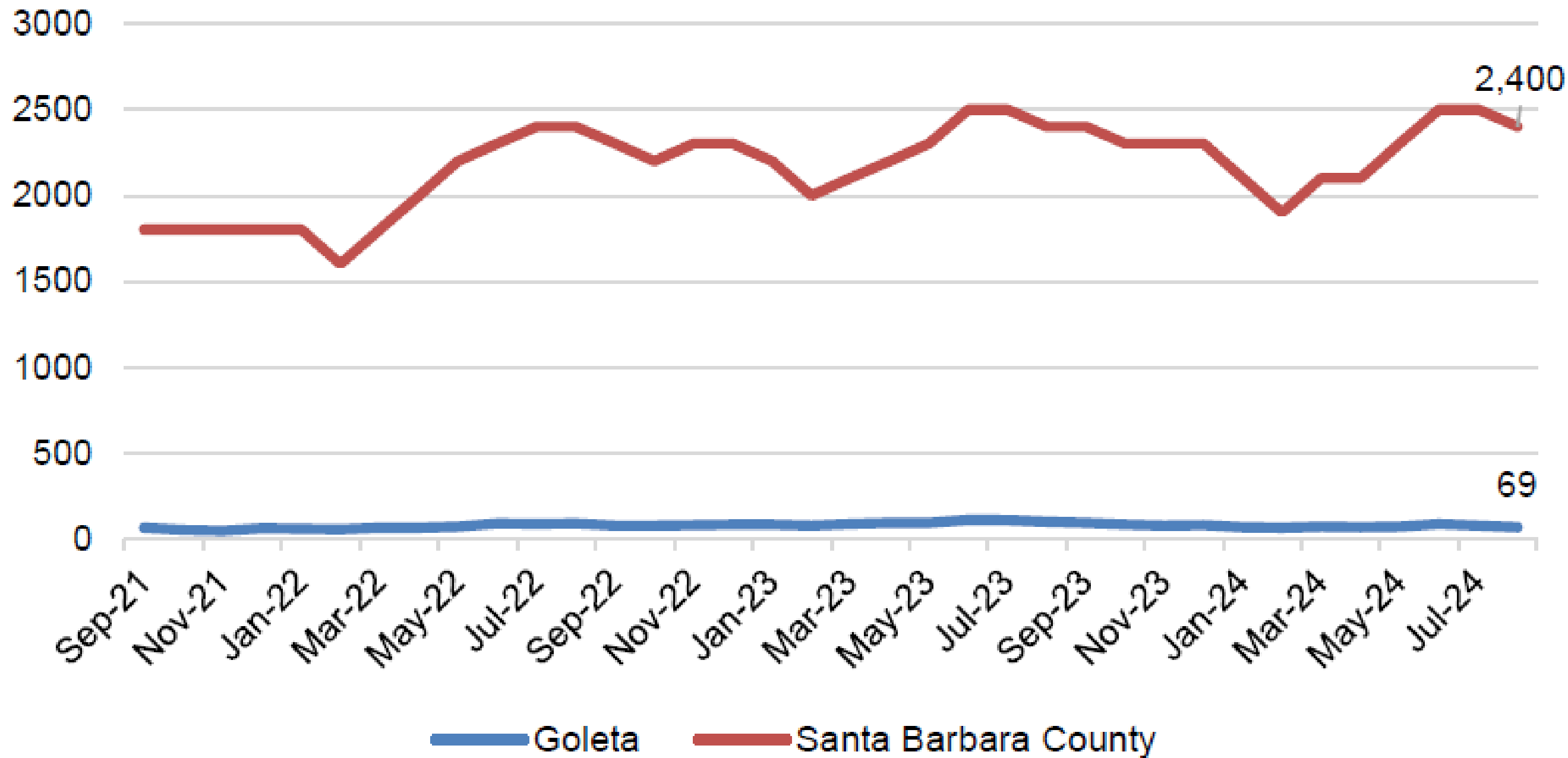
Figure 2: Active STVR and Hotels, City of Goleta, August 2024



Sources: City of Goleta Finance Department; BAE, 2024



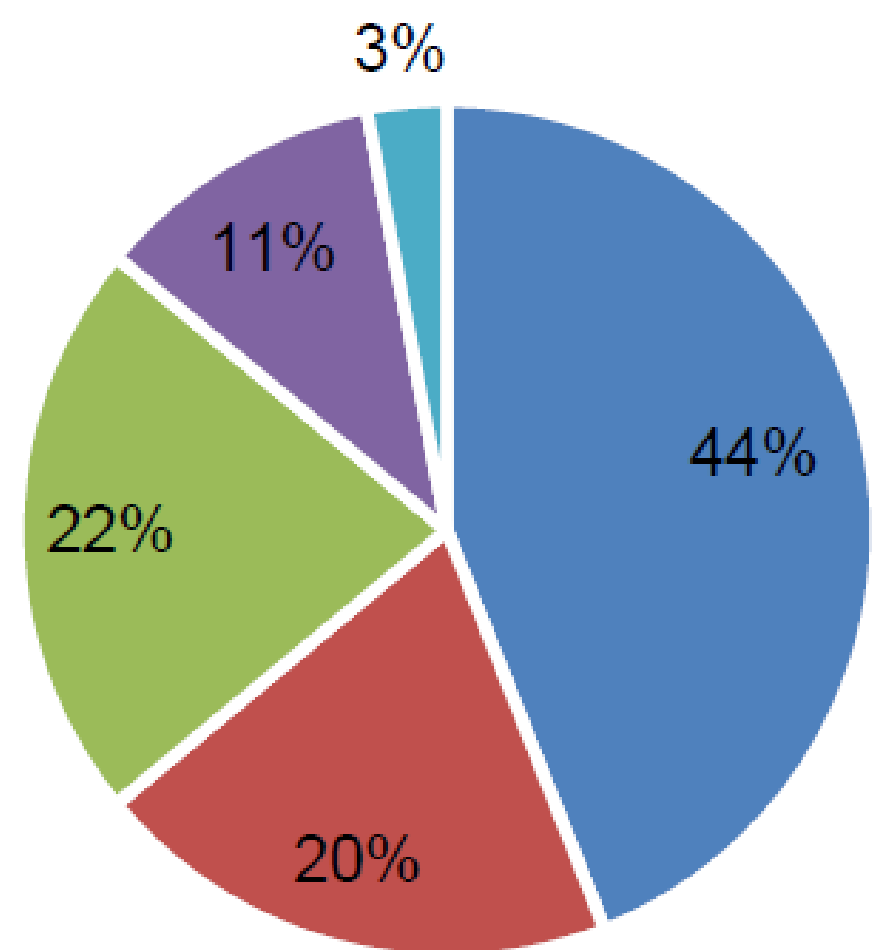
**Figure 3: Active STVR Listings, City of Goleta and Santa Barbara County, September 2021 – August 2024**



Sources: AirDNA; BAE, 2024.



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

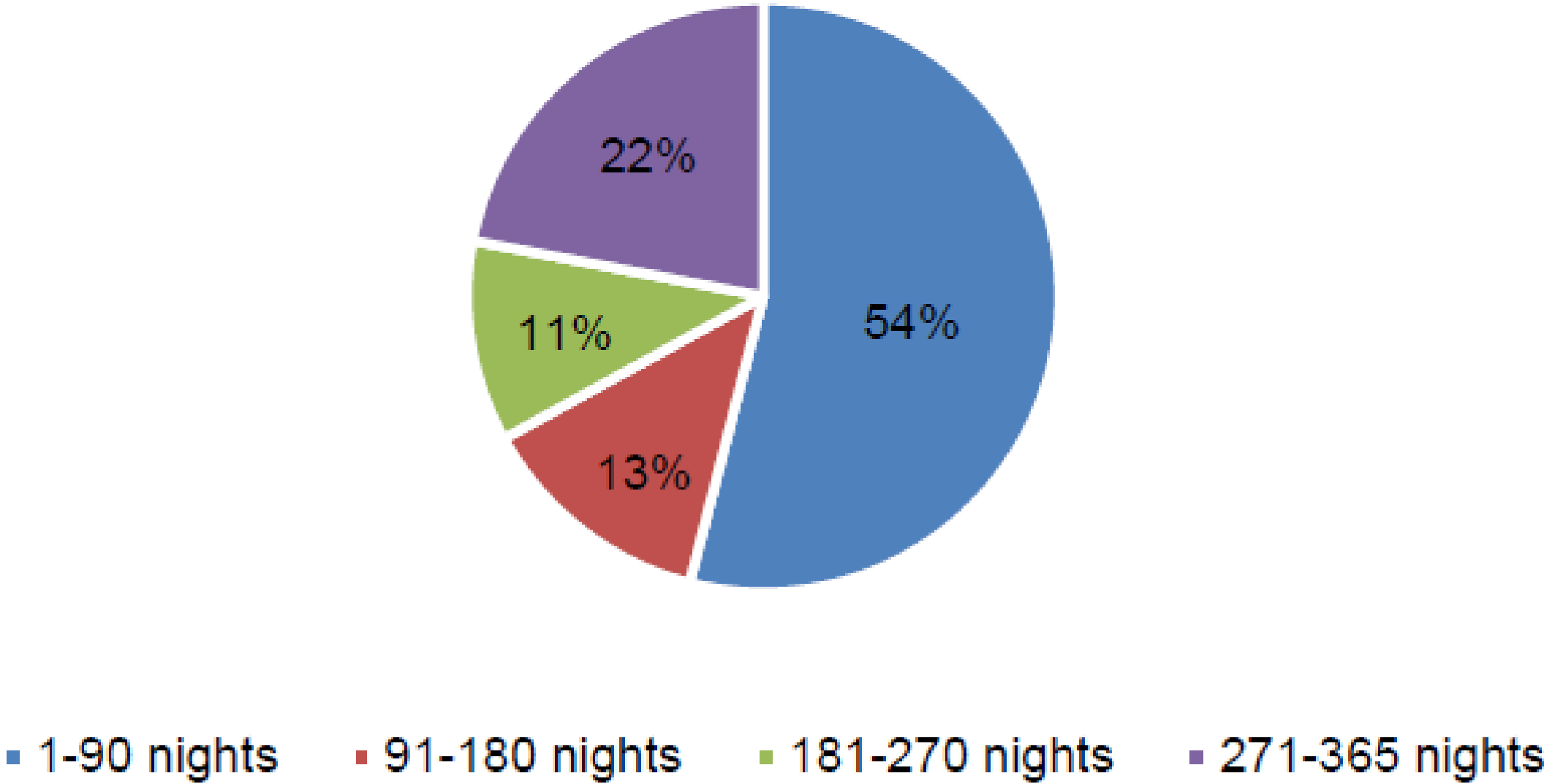


■ 1 Bedroom ■ 2 Bedroom ■ 3 Bedroom ■ 4 Bedroom ■ 5+ Bedroom

Sources: AirDNA; BAE, 2024.



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

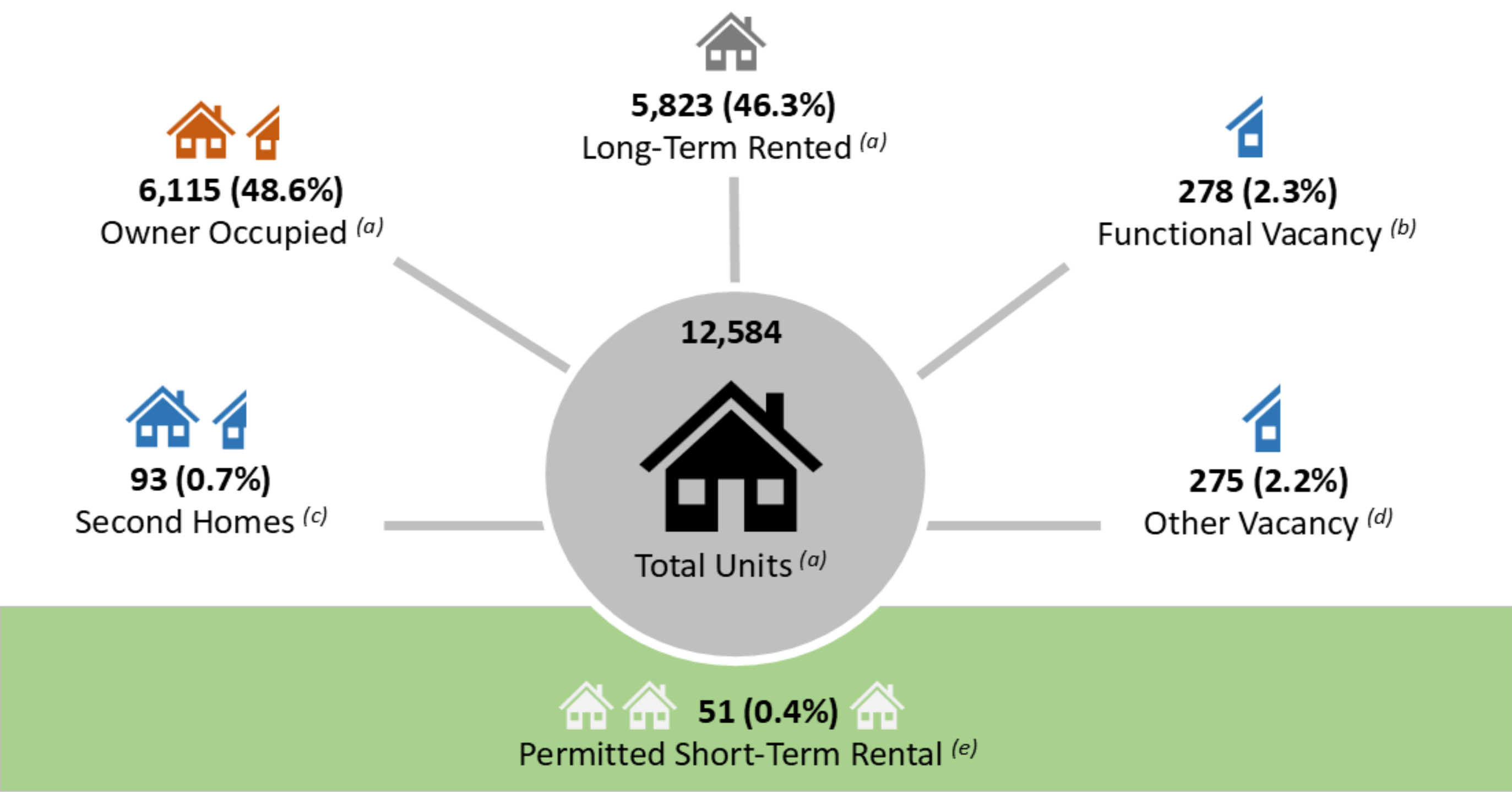


Sources: AirDNA; BAE, 2024.





# Trends in Housing Utilization in City of Goleta





*What evidence 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**?*

- Approximately 2.9 percent of housing units in the City of Goleta could be considered “underutilized” or “underused” by traditional definitions
- 0.7 percent of housing units (93 units) in the City are used “seasonally or occasionally”
- 0.5 percent of housing units in the City are permitted STVRs



# Regulatory Approaches in Other Areas

<u>Peer Community</u>	<u>Caps on STRs</u>	<u>Geographic or Density Limits</u>	<u>Owner Occupied Exemptions</u>
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



# Regulatory Approaches Locally

Jurisdiction	Caps on STRs	Geographic or Density Limits	Owner-Occupied Exemption	Notes
County of Santa Barbara		X	X	Non-hosted treated as a commercial lodging use in Inland Area. Unregulated in the Coastal Zone.
Carpinteria	X	X	X	Non-hosted rentals limited by number and in certain zones south of the 101.
City of Ventura	X	X	X	New ordinance adopted in November 2024. Non-hosted rentals limited by number and in certain zones.
Solvang		X		Allowed in the Tourist Related Commercial (TRC) Zone and at 9 addresses on Copenhagen Drive.
Santa Monica			X	Non-hosted rentals prohibited.



# Impact of Visitor Spending on Workforce Housing

- STVR in the City is likely to support around 1.5 jobs across the economy
- STVRs likely experience demand for 0.78 new workforce housing units

**Visitor Spending Per Job Supported**

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

**Visitor Spending by Accommodation Type**

Short-Term Vacation Rentals (c)	\$220,000,000
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**Jobs Supported by Accommodation Type**

Short-Term Vacation Rental (d)	2,334
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**Visitor Party Nights by Accommodation Type**

Short-Term Vacation Rental (e)	277,871
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**Visitor Nights Per Job Supported**

Short-Term Vacation Rental (f)	119
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**STRs Per Workforce Unit Demanded**

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



# Key Findings

- STVRs and seasonal units not currently a significant driver of the observed shortage of available long-term housing in the City
- Any increase in the number of non-hosted STVRs will likely further contribute to a reduction in the City's available housing stock
- 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



# Report Recommendations- HE Program 1.7

# Administrative Process Updates

1. Update the Definition of an STVR in Municipal Code
2. Collect Additional Attribute Data when Issuing STVR Licenses
3. Data Collection Records to Allow Ongoing Analysis
4. Maintain and Update Annual Relicensing Procedures
5. Create an STVR property search tool





# Update STVR Eligibility Standards

- 6. Prohibit Short-Term Renting of Properties Recently Subject to a No-Fault Eviction
- 7. Establish an STVR Permit Waiting Period for New Home Purchases
- 8. Implement enhanced enforcement penalties





# Limit the Number and Types of STVRs

9. Limit the total number of STVRs that may be permitted within the City at any given time

10. Create a Mechanism to Reduce Allowed Permits When Needed



# Geographic Targeting and Density Limits

11. Apply different standards/allowances within specific geographic subareas that can help to ensure the availability of visitor accommodations in appropriate 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 that may be short-term rented



# Report Recommendations- HE Program 1.8

# Policy Recommendations (HE 1.8)

13. Update the Definitions in Municipal Code (also see Recommendation for HE 1.7)

14. Establish Code Provisions Regarding Fractional Ownership and Timeshares

15. Create a Lease Registry for Leases of more than 31 days

16. Consider a Cap on Nights Rented for “Non-Hosted” STVRs

17. Consider Fewer Restrictions on “Hosted” STVRs



# Other Report Recommendations

18. Market and enforce the “Good Neighbor Guidelines” as noted in the City’s STVR Performance Standards.

19. Take steps to encourage development of new tourist accommodations other than STVRs

20. Take steps to encourage and facilitate construction of a diversity of housing types that meet the needs of a wide array of workforce households.



# Staff Recommendation in Response to the Study for Planning Commission Consideration

- Move forward with Study Recommendations, with the exception of:
  - Recommendation 12: Density Limits
    - Other Recommendations Sufficient: 9 (limit the total number of STVRs) and 11 (different standards/allowances in geographic subareas)
    - Study notes 12 could be an alternative to 11



# Next Steps

- Planning Commission recommendation
- Presentation and feedback from City Council
- Potential preparation of Municipal Code amendments with consultant assistance
- Return to Planning Commission and City Council



# Commission Questions and Feedback