

Dana Point's Short Term Rental (STR) policy can be found in several Ordinances and Coastal Development Permit CDP 22-0010, adopted by the City and approved by the California Coastal Commission, which has jurisdiction over Dana Point's Coastal Zone. Please read the full documents below by pushing buttons 1 and 2 for all details.

The City used a Coastal Development Permit and reinterpreted the Municipal Zoning Code to allow STR "hotel" businesses in residential neighborhoods. Below is a link and a button #1 to open the City's report and full text of the CDP 22.0010.

Some highlights are:

- See page 29 section 3(b): "There shall be no limit on the number of STR Permits that may be issued for Home Stay or Primary residence STRs in the City Coastal Zone..."
- Page 3 at top states City concerns about STRs: "Specifically, the regulations in the CDP and the proposed amendment to Chapter 5.38 are designed to prevent and abate public nuisances associated with STRs, including, but not limited to, excessive noise, disorderly conduct, vandalism, overcrowding, traffic congestion, illegal vehicle parking, and the accumulation of refuse."
- "The Council may change the maximum number of such permits, or any other provision of this Chapter, at any time" page 14 section 5.38.030 (i) at the end.

The City's policy rules on Short Term Rentals are set out in its Business Code 5.38 (button 2 below). A permit requires the payment of a 10% tax on quarterly income from rentals called TOT (transient occupancy tax).

- City policy creates special benefits for existing STR operators because their permits are grandfathered with no new applications required (See 5.38.010 Purpose) and new STRs permits can be renewed every year unless sold.
- There are no limits to the number of STRs that are allowed on a street.
- Read all the details required in 5.38 to get a new Permit including: inspections, limitations, creating a 24-hour emergency contact, permit fees, and providing \$1,000,000 insurance policy. It is a long process for a homeowner.
- Any resident owner can rent their home, when away, for periods of 30 days or more without a permit and no 10% tax due. The policy is continued in the new proposed 5.38 within the voter initiative.

CDP 22-0010 Short Term Rentals - displaying Final version with changes by the California Coastal Commission

<https://www.danapoint.org/home/showdocument?id=35694&t=638109515772870109>

Chapter 5.38 of the Dana Point Municipal as published July 23, 2023 (Business Rules for STRs)

[Use Button 2 Below to Access Chapter 5.38](#)