

In 2023 the City Council adopted, and the California Coastal Commission approved, a short-term rental ordinance which limits permits and has strict rules to eliminate potential nuisances. One measure of its success is the lack of complaints from neighbors. In the first half of 2024, the city received six complaints related to STRs. After investigation, two were validated: one for noise and one for trash cans.

Last year, short-term rentals generated \$725,000 in transient occupancy tax for the City. Properties can be audited at any time to ensure they are paying the tax. If enacted, the replacement ordinance will likely reduce city revenue by at least \$450,000.

The replacement ordinance has other negative consequences. The proposed annual permit lottery will create uncertainty for owners and may make them less committed to being good operators. The March 15-May 1 timing of the lottery is likely to eliminate advanced bookings and the repeat guests who are least likely to cause problems. This will likely encourage unpermitted and unregulated operators.

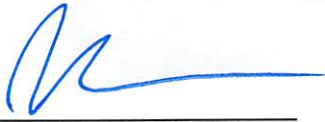
One of the strengths of the existing policy is that the City Council can amend it at any time and is required to review it at least every three years with the Coastal Commission. The City Council analyzes complaint data and can adjust permit limits and regulations to ensure the program meets the changing needs of our community. The existing ordinance already prioritizes properties with the lowest nuisance risk.

Most important for voters to understand is that if this ballot measure passes, the new ordinance can never be adjusted without another election. The proposed ordinance states that any changes in the future will require a vote in an election. This appears to mean the City cannot add a rule to tighten noise restrictions or parking restrictions, nor could it reduce the total number of permits.

FORM OF STATEMENT TO BE FILED BY AUTHORS OF ARGUMENTS

All arguments concerning measures filed pursuant to Division 9, Chapter 3 (beginning with § 9200) of the Elections Code shall be accompanied by the following form statement **to be signed** by each proponent, and by each author, if different, of the argument:

The undersigned proponent (s) or author(s) of the primary argument against ballot proposition "An Initiative to Repeal and Replace the City's Existing Short Term Rental Ordinance" at the General election for the City of Dana Point to be held on November 5, 2024 hereby state that the argument is true and correct to the best of their knowledge and belief.

Print <u>JAMEY FEDERICO</u> Name Title <u>MAYOR</u> (If applicable): Submitted on behalf of : <u>Dana Point City Council</u> _____ (name of organization)	Signature  _____ Date <u>7/30/24</u> _____
Print _____ Name Title _____ (If applicable): Submitted on behalf of : _____ _____ (name of organization)	Signature _____ _____ Date _____ _____
Print _____ Name Title _____ (If applicable): Submitted on behalf of : _____ _____ (name of organization)	Signature _____ _____ Date _____ _____
Print _____ Name Title _____ (If applicable): Submitted on behalf of : _____ _____ (name of organization)	Signature _____ _____ Date _____ _____
Print _____ Name Title _____ (If applicable): Submitted on behalf of : _____ _____ (name of organization)	Signature _____ _____ Date _____ _____