



Petitioner Santa Ana Short-Term Rental Alliance’s Petition for Writ of Mandate

Petitioner Santa Ana Short-Term Rental Alliance (“SASTRA”) petitions for a writ of mandate based on an alleged failure to comply with CEQA directing respondent the City of Santa Ana (“City”) to set aside an ordinance expressly prohibiting short term rentals. The City opposes. For the reasons set forth below, the petition for writ of mandate is granted.

*Factual background*

From 2015 through 2021 the City undertook to update its General Plan (the “General Plan Update” or “GPU”). AR 6085-6087. In 2021 the City prepared a Program EIR (PEIR) for the General Plan Update. AR 3209, 5438. The PEIR was “prepared as supplemental analysis to the original Draft PEIR on the City of Santa Ana’s General Plan Update (GPU) to reflect updates to the GPU (proposed project).” AR 3227. The City adopted the General Plan Update and certified the PEIR in December 2021 (AR 6087) or April 2022 (AR 647). The General Plan Update states that it “provides long-term policy direction to guide the physical development, quality of life, economic health, and sustainability of the city through 2045.” AR 6078.

In April 2024 the City adopted Urgency Ordinance No. NS-3060, followed by Ordinance No. NS-3061, both of which expressly prohibited short term rentals in the City. AR 559-563, 564-569. SASTRA filed the instant petition and complaint on June 7, 2024. ROA 2. In December 2024 the City repealed the short term rental (“STR”) ordinance adopted in April 2024, and reenacted, as Ordinance No. NS-3072, the STR ordinance. AR 637-642. SASTRA filed an amended petition and complaint on December 20, 2024. ROA 58. The court severed the CEQA causes of action from SASTRA’s other causes of action. ROA 108.

The City adopted an addendum to the PEIR (the “Addendum”) and found that none of the circumstances in Public Resources Code section 21166 or CEQA Guidelines section 15162 had occurred, and thus no supplemental EIR was required. AR 639-640. The STR ordinance (Ordinance No. NS-3072) states, in relevant part:

The City Council has reviewed and considered the General Plan Update EIR (State Clearinghouse No. 2020029087) (“GPU EIR”), [and] the Addendum to the GPU EIR, and finds that these documents taken together contain a complete and accurate reporting of all the potential environmental impacts associated with this Ordinance. The City Council finds that the Addendum has been completed in compliance with CEQA and the State CEQA Guidelines. The City Council further finds and determines that the Addendum reflects the City’s independent judgment.

Based on the substantial evidence set forth in the record, including but not limited to the GPU EIR and the Addendum, the City Council finds that an addendum is the appropriate document for disclosing the changes to the GPU, and that none of the conditions identified in Public Resources Code section 21166 and State CEQA Guidelines section 15162 requiring subsequent environmental review have occurred, because the Ordinance does not change or alter in any way the existing land use designations City-wide set forth in the General Plan Update and analyzed in the GP[U] EIR. No development, redevelopment, or change to existing development type in the City is proposed or required to implement the Ordinance. The buildout of housing had previously been analyzed within the scope of the GPU EIR, and the Ordinance would not result in additional development of housing within the City. Based on these findings, the City Council makes the following findings:

- a) The Ordinance does not constitute a substantial change that would require major revisions of the GPU EIR due to the involvement of new significant environmental effects.
- b) There is not a substantial change with respect to the circumstances under which the Ordinance will be implemented that would require major revisions of the GPU due to the involvement of new significant environmental effects or a substantial increase in the severity of the previously identified significant effects.

New information of substantial importance has not been presented that was not known and could not have been known with the exercise of reasonable diligence at the time the GPU was certified or adopted, showing any of the following: (i) that the modifications would have one or more significant effects not discussed in the earlier environmental documentations; (ii) that significant effects previously examined would be substantially more severe than shown in the earlier environmental documentation; (iii) that mitigation measures or alternatives previously found not to be feasible would in fact be feasible and would substantially reduce one or more significant effect, but the applicant declined to adopt such measures; or (iv) that mitigation measures or alternatives considerably different from those analyzed previously would substantially reduce one or more

significant effects on the environment, but which the applicant declined to adopt.

AR 640; see also AR 697 (Addendum) (“Based on the record as a whole, there is no substantial evidence that the Modified Project [the STR ordinance] would result in significant environmental impacts not previously studied in the EIR, and accordingly, the project changes would not result in any conditions identified in CEQA Guidelines, Section 15162. Thus, a subsequent EIR is not required for the changes to the project, and the City adopts this Addendum to the City of Santa Ana GP Update EIR in accordance with CEQA Guidelines Section 15164.”).

In the alternative, the City also found that the STR ordinance was categorically exempt from CEQA under the Class 1 exemption in CEQA Guidelines section 15301. AR 641. The STR ordinance states, in relevant part:

Class 1 consists of the “operation, repair, maintenance, permitting, leasing, licensing, or minor alteration of existing public or private structures, facilities, mechanical equipment, or topographical features, including negligible or no expansion of existing or former use.” Here, the Ordinance reaffirms existing policy and practice, prohibiting short-term rentals within the City and the Ordinance would not result in a significant expansion of existing uses or former uses. The operational activities associated with the Ordinance would be typical of residential development. No development, redevelopment, or change to existing development type in the City is proposed or required to implement the Ordinance. Further, none of the exceptions to the exemptions set forth under State CEQA Guidelines section 15300.2 apply. There will be no significant cumulative impact of successive projects of the same type in the same place, overtime, as this is the only Ordinance prohibiting short-term rentals. There is no reasonable possibility that the Ordinance will have a significant effect on the environment due to unusual circumstances because it is reaffirming the existing prohibition on short-term rentals. The Ordinance will not result in damage to scenic resources, including but not limited to, trees, historic buildings, rock outcroppings, or similar resources, within a highway officially designated as a state scenic highway, because the Ordinance does not propose any ground-breaking activity or construction, but instead continues the existing ban on short-term rentals. The Ordinance is not located on a site which is included on any list compiled pursuant to Government Code section 65962.5. The Ordinance will not cause a substantial adverse change in the

significance of a historical resource. Thus, the Ordinance falls under the Class 1 categorical exemption, and no further environmental review is required.

AR 641.

*Relevant law*

A program EIR is an EIR which may be prepared on a series of actions that can be characterized as one large project and are related either: (1) geographically, (2) as logical parts in the chain of contemplated actions, (3) in connection with issuance of rules, regulations, plans or other general criteria to govern the conduct of a continuing program, or (4) as individual activities carried out under the same authorizing statutory or regulatory authority and having generally similar environmental effects which can be mitigated in similar ways. CEQA Guidelines § 15168(a); *Save Our Access v. City of San Diego* (2023) 92 Cal.App.5th 819, 844.

The relevant “project” here is the General Plan Update. See AR 3227 (PEIR identifying the General Plan Update as the “proposed project”); AR 648 (Addendum identifying “update of the Santa Ana General Plan” as the “Approved Project”); City Request for Judicial Notice (ROA 130) Ex. A (Resolution No. 2022-029) (identifying the General Plan Update as the “project”). The relevant program EIR here is the PEIR the City certified in December 2021 (AR 6087) or April 2022 (AR 647).

The CEQA Guidelines state that later activities in the program must be examined in the light of the program EIR to determine whether an additional environmental document must be prepared. CEQA Guidelines § 15168(c). “If a later activity would have effects that were not examined in the program EIR, a new initial study would need to be prepared leading to either an EIR or a negative declaration. That later analysis may tier from the program EIR as provided in section 15152.” CEQA Guidelines § 15168(c)(1); see *also* Pub. R. Code § 21068.5 (defining “tiering”). “If the agency finds that pursuant to section 15162, no subsequent EIR would be required, the agency can approve the activity as being within the scope of the project covered by the program EIR, and no new environmental document would be required. Whether a later activity is within the scope of a program EIR is a factual question that the lead agency determines based on substantial evidence in the record. Factors that an agency may consider in making that determination include, but are not limited to, consistency of the later activity with the type of allowable land use, overall planned density and building intensity, geographic area analyzed for environmental impacts, and covered infrastructure, as described in the program EIR.” CEQA Guidelines § 15168(c)(2).

CEQA Guidelines section 15162(a) states:

- (a) When an EIR has been certified or a negative declaration adopted for a project, no subsequent EIR shall be prepared for that project unless the lead agency determines, on the basis of substantial evidence in the light of the whole record, one or more of the following:
  - (1) Substantial changes are proposed in the project which will require major revisions of the previous EIR or negative declaration due to the involvement of new significant environmental effects or a substantial increase in the severity of previously identified significant effects;
  - (2) Substantial changes occur with respect to the circumstances under which the project is undertaken which will require major revisions of the previous EIR or negative declaration due to the involvement of new significant environmental effects or a substantial increase in the severity of previously identified significant effects; or
  - (3) New information of substantial importance, which was not known and could not have been known with the exercise of reasonable diligence at the time the previous EIR was certified as complete or the negative declaration was adopted, shows any of the following:
    - (A) The project will have one or more significant effects not discussed in the previous EIR or negative declaration;
    - (B) Significant effects previously examined will be substantially more severe than shown in the previous EIR;
    - (C) Mitigation measures or alternatives previously found not to be feasible would in fact be feasible and would substantially reduce one or more significant effects of the project, but the project proponents decline to adopt the mitigation measure or alternative; or
    - (D) Mitigation measures or alternatives which are considerably different from those analyzed in the previous EIR would substantially reduce one or more significant effects on the environment, but the project proponents decline to adopt the mitigation measure or alternative.

CEQA Guidelines § 15162.

Public Resources Code section 21166 states:

When an environmental impact report has been prepared for a project pursuant to this division, no subsequent or supplemental environmental impact report shall be required by the lead agency or by any responsible agency, unless one or more of the following events occurs:

- (a) Substantial changes are proposed in the project which will require major revisions of the environmental impact report.
- (b) Substantial changes occur with respect to the circumstances under which the project is being undertaken which will require major revisions in the environmental impact report.
- (c) New information, which was not known and could not have been known at the time the environmental impact report was certified as complete, becomes available.

“If an EIR has been prepared for a project, ‘section 21166 prohibits agencies from requiring a subsequent or supplemental EIR unless “substantial changes” are proposed in the project or in its circumstances which will require “major revisions” in the EIR, or unless certain new information becomes available.’ [Citation.] But section 21166 controls ‘only when the question is whether more than one EIR must be prepared for *what is essentially the same project.*’” *Save Our Access*, 92 Cal.App.5th at 844 (italics added).

“The Supreme Court explained ‘when a program EIR is employed, if a later proposal is not “either the same as or within the scope of the project . . . described in the program EIR,” then review of the proposal is not governed by section 21166’s deferential substantial evidence standard. [Citations.] Instead, under . . . section 21094, the agency is required to apply a more exacting standard to determine whether the later project might cause significant environmental effects that were not fully examined in the initial program EIR.’” *Id.* at 845.

CEQA Guidelines section 15164 provides that the lead agency or a responsible agency “shall prepare an addendum to a previously certified EIR if some changes or additions are necessary but none of the conditions described in section 15162 calling for preparation of a subsequent EIR have occurred.” CEQA Guidelines § 15164(a). CEQA Guidelines section 15164(e) states: “A brief explanation of the decision not to prepare a subsequent EIR pursuant to section 15162 should be included in an addendum to an EIR, the lead agency's

required findings on the project, or elsewhere in the record. The explanation must be supported by substantial evidence.”

#### *Standard of review*

In a CEQA case, the trial court considers whether the relevant agency, here the City, abused its discretion either (1) by failing to proceed in the manner required by law, or (2) by making a factual conclusion unsupported by substantial evidence. Pub. R. Code §§ 21168, 21168.5; *Save Our Access*, 92 Cal.App.5th at 845.

#### *The Addendum*

The City contends it properly addressed the STR ordinance by means of an addendum because the STR ordinance was a “later activity” within the scope of the General Plan Update covered by the PEIR. See CEQA Guidelines §§ 15164(a), 15168(c); City Brief (ROA 128) at 17:5-10. SASTRA argues that the STR ordinance was not a “later activity” within the scope of the General Plan Update covered by the PEIR, but rather a “new project subject to environmental review either in a new EIR or a negative declaration.” SASTRA Brief (ROA 122) at 19:12-13. The City contends substantial evidence supports its finding that the STR ordinance was a “later activity” within the scope of the General Plan Update covered by the PEIR because the STR ordinance “is both the same as the [General Plan] Update and within the scope of the update analyzed by the PEIR.” City Brief (ROA 128) at 17:9-10.

As stated above, CEQA Guidelines section 15168(c)(1) states if an agency finds that pursuant to CEQA Guidelines section 15162, no subsequent EIR would be required, the agency can approve the activity as being within the scope of the project covered by the program EIR, and no new environmental document would be required. As also stated above, “[w]hether a later activity is within the scope of a program EIR is a factual question that the lead agency determines based on substantial evidence in the record. Factors that an agency may consider in making that determination include, but are not limited to, consistency of the later activity with the type of allowable land use, overall planned density and building intensity, geographic area analyzed for environmental impacts, and covered infrastructure, as described in the program EIR.” CEQA Guidelines § 15168(c)(1).

The City argues the STR ordinance is “the same” as the General Plan Update “because the [General Plan] Update restricts residential land use designations to long term occupancy, just as the STR Ordinance precludes STRs, which are short term occupancies.” City Brief at 17:11-13. As support for this argument, the City points to the definition of “dwelling unit” in the General Plan Update, which defines that term in the General Plan Update as “[a] room or group of rooms (including sleeping, eating, cooking, and sanitation facilities, limited to one kitchen), which constitutes an independent housing unit, occupied or intended for

occupancy by one household on a long term basis.” AR 6094. The City argues that the General Plan Update “then incorporates the defined term ‘dwelling unit’ into all the City’s residential designations by expressing the maximum density allowed as du/ac, or dwelling unit per acre.” City Brief at 17:17-18. Because the term “dwelling units” is defined in the General Plan Update as independent housing units occupied or intended for occupancy by one household “on a long term basis,” the City asserts that that term, when used in the General Plan Update to address density of residential housing, prohibits short term rentals and thus renders the General Plan Update and the STR ordinance the same project.

The General Plan Update defines “density” as “[d]welling units per acre; a measure of residential development.” AR 6093. The portions of the General Plan Update and the PEIR to which the City point as purportedly providing evidence that the General Plan Update prohibits short term rentals by using the term “dwelling units” pertain to residential density, i.e., a measure of residential development based on independent housing units occupied or intended for occupancy by one household on a long term basis. *Cf. Save Our Access*, 92 Cal.App.5th at 852-53 (documents identifying number of dwelling units permitted per acre “primarily focused on how many dwelling units were allowed per parcel under the newly proposed zones”). Furthermore, the General Plan Update is a multi-hundred page document adopted in 2021 and prepared to “provide[ ] long-term policy direction to guide the physical development, quality of life, economic health, and sustainability of the city through 2045.” AR 6078. The STR ordinance is a 6-page law enacted in 2024 that addresses one topic. AR 637-642. Neither the definition of “dwelling units” in the General Plan Update nor reasonable inferences from that definition, nor, more generally, the General Plan Update and the STR ordinance themselves, supports an argument that the STR ordinance and the General Plan Update are the same project.

The City next argues that the STR ordinance is within the scope of the General Plan Update covered by the PEIR. The City does not cite any portion of the PEIR expressly addressing short term rentals. Instead, the City argues the STR ordinance “is within the scope of the [General Plan Update] analyzed in the PEIR because it does not change either the residential or non-residential . . . land use designations analyzed in the PEIR. Instead, it implements them [i.e., land use designations] by prohibiting short term occupancies.” City Brief (ROA 128) at 18:8-10. The City again relies on the defined term “dwelling units” to support its contention that, in using the term “du,” the PEIR disclosed that the City prohibited short term rentals. As stated above, the cited portions of the PEIR address residential density for purposes of measuring residential development (i.e., number of units). *Cf. Save Our Access*, 92 Cal.App.5th at 852-53. The City identifies nothing else in the PEIR that it contends alerted the public that the City prohibited short term rentals and/or intended to prohibit them. See *Banning Ranch Conservancy v. City of Newport*

*Beach* (2017) 2 Cal.5th 918, 941 (“The data in an EIR must not only be sufficient in quantity, it must be presented in a manner calculated to adequately inform the public and decision makers, who may not be previously familiar with the details of the project”). Indeed, the “Santa Ana General Plan Buildout Methodology” in the PEIR, on which the City relies (City Brief at 18:3), states that it addresses “existing and buildout conditions”:

The following summarizes the methodology and factors used to calculate *existing and buildout* conditions for purposes of the General Plan and its analysis through an environmental impact report. . . . It is important to note that the *buildout* figures represent an informed but estimated projection of a future condition. The actual construction of development will likely vary by parcel and planning area in terms of location and mix of uses.

AR 3892 (italics added). Furthermore, as the City acknowledges, “the baseline analyzed in the . . . PEIR did not account for the operation of STRs.” AR 9856; City Brief (ROA 128) at 21:25-26. There is no substantial evidence to support the City’s determination that the STR ordinance was a Later activity within the scope of the General Plan Update covered by the PEIR.

*Class 7 categorical exemption*

As an alternative to the Addendum, the City also found that the STR ordinance was categorically exempt from CEQA under the Class 1 exemption in CEQA Guidelines section 15301. AR 641. SASTRA contends the STR ordinance did not qualify for this exemption.

CEQA Guidelines section 15301 states:

Class 1 consists of the operation, repair, maintenance, permitting, leasing, Licensing, or minor alteration of existing public or private structures, facilities, mechanical equipment, or topographical features, involving negligible or no expansion of existing or former use. . . . The key consideration is whether the project involves negligible or no expansion of use.

CEQA Guidelines § 15301.

“A categorical exemption should be interpreted narrowly to afford the fullest possible protection to the environment within the reasonable scope of the statutory language.” *Los Angeles Dept. of Water & Power v. County of Inyo* (2021) 67 Cal.App.5th 1018, 1040.

The statutory language authorizes categorical exemptions for “classes of projects that have been determined not to have a significant effect on the environment,” and states, “[t]he Secretary of the Natural Resources Agency shall make a finding that the listed classes of projects referred to in this section do not have a significant effect on the environment.”

Pub. R. Code § 21084(a). Nothing in the record here shows the Secretary has made an explicit finding, one way or the other, about whether ordinances prohibiting short term rentals qualify for the Class 1 exemption from CEQA.

SASTRA also argues the Class 1 exemption does not apply to the STR ordinance because the exemption, by its plain terms, applies to “existing public or private structures, facilities, mechanical equipment, or topographical features,” and the STR ordinance prohibits the short term rental of any and all dwelling units in the City, whether now existing or constructed in the future. The City had no direct response to this argument in its opposition or at the hearing, and it does not dispute—and indeed conceded at the hearing—that the STR ordinance is not limited to existing structures. Instead, the City asserts that “[substantial evidence supports the City’s findings that the Class 1 exemption applies because the STR Ordinance simply implements the General Plan Update’s existing restriction of the residential designations to long term occupancy.” City Brief (ROA 128) at 27:18-20. The City did not explain this statement in its brief, but the court gathers “the General Plan Update’s existing restriction of the residential designations to long term occupancy” refers to the City’s contention that the term “dwelling units” in the General Plan Update prohibits short term rentals. For the reasons stated above, the court does not find that argument persuasive. Moreover, the term “dwelling units” in the General Plan Update has no bearing on whether the Class 1 exemption applies to structures that are not “existing.”

In the absence of any legal authority holding that “existing” in section 15301 means “existing and not yet existing,” and no evidence the Secretary of the Natural Resources Agency has made an explicit finding about whether ordinances prohibiting short term rentals qualify for the Class 1 exemption, the court concludes that the Class 1 exemption in section 15301 requires “existing” public or private structures, facilities, mechanical equipment, or topographical features. See *Bloom v. McGurk* (1994) 26 Cal.App.4th 1307, 1315 (“the term ‘existing facility’ in the class 1 exemption would mean a facility as it exists at the time of the agency’s determination”); see also *Los Angeles Dept. of Water & Power*, 67 Cal.App.5th at 1040 (“A categorical exemption should be interpreted narrowly to afford the fullest possible protection to the environment within the reasonable scope of the statutory language”). Because the STR ordinance is not limited to existing structures, the STR ordinance does not fall within the scope of the categorical exemption for existing facilities. Therefore, the City proceeded in a manner contrary to law when it concluded that the Class 1 exemption applies to the ordinance, and no substantial evidence supports the conclusion that the Class 1 exemption applies to the ordinance. In light of this conclusion, the court need not address SASTRA’s alternative argument that even if the Class 1

exemption applies, the unusual circumstances exception to the exemption bars its application.

The City also argues that SASTRA did not exhaust its administrative remedies with respect to its claim that the STR ordinance did not qualify for a Class 1 exemption. ““No action or proceeding may be brought pursuant to Section 21167 unless the alleged grounds for noncompliance [ ] were presented to the public agency orally or in writing. . . .” [Citations.] ““The essence of the exhaustion doctrine is the public agency's opportunity to receive and respond to articulated factual issues and legal theories before its actions are subjected to judicial review.” [Citations.] Comments must express concerns so the lead agency has ““its opportunity to act and to render litigation unnecessary.”” [Citation.] ‘The purposes of the doctrine are not satisfied if the objections are not sufficiently specific so as to allow the Agency the opportunity to evaluate and respond to them.’ [Citation.] “[Relatively . . . bland and general references to environmental matters” [ ], or “isolated and unelaborated comments]”’ do not satisfy the exhaustion requirement. [Citation.] Rather, “[t]he ‘exact issue’ must have been presented to the administrative agency.”” *North Coast Rivers Alliance v. Marin Mun. Water Dist.* (2013) 216 Cal.App.4th 614, 623.

SASTRA submitted written comments identifying and detailing what it described as “potentially significant environmental impacts,” and stating that “[t]hese potentially significant environmental impacts also mean the Proposed Ordinance is not eligible for a Class 1 exemption and that the City must prepare a full EIR.” AR 9690; see also AR 9172, 9677. This is not a “general comment” (City Brief at 26:26-27), but rather a statement identifying the “exact issue” SASTRA argues here, i.e., that the STR ordinance did not qualify for a Class 1 exemption. In addition, the City specifically addressed the Class 1 exemption in the STR ordinance. AR 641. SASTRA has demonstrated exhaustion occurred. *North Coast Rivers Alliance*, 216 Cal. App.4th at 624.

The City’s unopposed Request for Judicial Notice (ROA 130, Exs. A-E) is granted.

For the foregoing reasons, the City is ordered to set aside the approvals of Ordinance No. NS-3072 and to proceed in accordance with CEQA. See Pub. R. Code § 21168.9.

Clerk to give notice.