



Council Agenda Report

From: Warren Frace, Community Development Director

Subject: City Council Workshop
Short-Term Rental Task Force Recommendation to City Manager
Council Policy Review and Direction to Staff

Date: January 31, 2017

Facts

1. Short-Term Rentals ("Vacation Rentals") refer to the practice of renting rooms or houses for a period of less than 30 days.
2. Short-Term Rentals fall under the Transient Occupancy lodging definition of the City Municipal Code (21.08.444), which requires the payment of transient occupancy tax (TOT) and a business license.
3. The City does not have any additional policies or codes that regulate Short-Term Rentals.
4. Due to the growing popularity of short-term rental websites such as Airbnb and VRBO there are estimated between 200 and 300 short-term rentals operating in Paso Robles.
5. In December 2014, the City had issued 71 business licenses for Short-Term Rentals.
6. As of November 2016, the City had issued 167 business licenses (135% increase from 2014) for Short-Term Rentals with the requirement to pay TOT to the City.
7. In Spring 2015, as a result of increasing public complaints, the City Council requested staff analyze the operation and impacts of short-term rentals within the City.
8. On May 4, 2015 the Administrative Services Department prepared a memo to the Council summarizing the fiscal impacts of short-term rentals on the City. The memo stated that 54 licensed short-term rentals paid \$122,000 in TOT for FY2014. The memo estimated that an additional \$330,000 could be collected if 200 short-term rentals were licensed.
9. In August 2015, the Assistant City Manager prepared a Short-Term Rental Outreach Plan that called for; (1) a Focus Group meeting of short-term rental operators; and (2) a public workshop.
10. On September 23, 2015, staff hosted a "focus" group at the EOC that was attended by five (5) local short-term rental operators. The theme of the operator comments was that limited regulations creating a level playing field for short-term rental operators was a good idea, and short-term rentals were an important tourism and economic development resource. The group preferred voluntary "good neighbor" guidelines rather than strict City standards.
11. On November 4, 2015, the City hosted a short-term rental community workshop in the Council Chambers that was attended by a standing-room-only crowd that appeared to be a balance of operators and concerned neighbors. The theme of the meeting comments was balanced between the need to protect residential neighborhoods while promoting tourism and economic development.
12. On March 1, 2016, the Council approved a new Assistant Planner position, to provide staff resources to track short-term rentals in the City and ensure compliance with the City's transient occupancy tax provisions.
13. On March 15, 2016, the City Council considered a Short-Term Rental Policy update report and authorized the City Manager to form an advisory panel consisting of operators and neighbors to work collaboratively with staff on policy recommendations for the City Council's consideration.

14. On April 21, 2016, following a public application process, the following people were appointed to the Short-Term Rental Task Force:
- a. Kathy Bonelli
 - b. Bill Haas
 - c. Stacie Jacob
 - d. Dan Jones
 - e. Meredith Maas
 - f. Mark McConnell
 - g. Jill Ogorsolka
15. From May to September 2016, the Short-Term Rental Task Force met eight separate times to review Short-Term Rental issues and explore potential policy options.



May 4, 2016 Short-Term Rental Task Force kick-off meeting

16. On September 9, 2016, the Short-Term Rental Task Force recommended a draft Short-Term Rental Ordinance (Attachment 1) and a Statement Concerning Density of Short-Term Rentals (Attachment 2) to the City Manager for consideration.

Options

1. Do nothing;
2. Forward the Draft Short-Term Rental Ordinance to Planning Commission for public hearings as an amendment to the Zoning Ordinance;
3. Forward the Draft Short-Term Rental Ordinance with minor changes identified by the City Council to Planning Commission for public hearings as an amendment to the Zoning Ordinance;
4. Refer back to staff for additional analysis of items identified by City Council.

Analysis and Conclusions

1. Background

The November 4, 2015 Short-Term Rental Community Workshop revealed the complexity of the issues related to Short-Term Rentals. There are equally compelling points in favor of promoting Short-Term Rentals and the need to protect the residential character of single-family neighborhoods.

The “word clouds” below highlight the frequency of different words and terms raised during the November 2015 Community Workshop. A separate word cloud was prepared for short-term rental operator comments and for concerned neighbors.

The key terms identified by the operators were: **tourism**, **owner responsibility**, and **no change**. The key terms identified by concerned neighbors were: **protect residential character**, **safety** and **parking**.

Short-Term Rental Owner/Other Comments Word Cloud



Neighbor Comments Word Cloud



November 4, 2015 –
Community Workshop



2. Short-Term Rental Task Force Process

The Goal of appointing a Short-Term Rental Task Force representing all of the interests in the issue was to find a balanced policy solution that was acceptable to everyone.

The Task Force identified the following principles to guide development of the Short-Term Rental policy:

- Protection of residential neighborhoods and quality of life
- Encouraging compliance
- Maximize Transient Occupancy Tax collections
- Ensure a "Level Playing Field" for all lodging businesses regardless of size and type
- Create realistic and enforceable regulations
- Provide rules that "fit" Paso Robles

Over the course of eight meetings that included significant public input, the Task Force created a draft Ordinance (Attachment 1) organized around the following sections:

- Definitions
- Licensing Requirements
- Responsible Party Designation
- Operational Requirements
- Violation Enforcement

Definitions

The Definitions section lists all of the terms and processes used in the Ordinance. Staff has included minor comments to supplement this section.

Licensing Requirements

This section identifies all of the different types of land uses that are included under the definition of short-term rental and the licensing requirement and City review process. This section also identifies the application requirements and ability of the City to charge cost recovery fees.

Table 21.34.030.1. Short-term Rental Licensing and Permitting Table

Rental Type	Home Share License (owner occupied)	Vacation House License
Short-Term Rental	<p>Short-Term Rental License may be issued for the following: (staff ministerial)</p> <ul style="list-style-type: none"> • Primary dwelling • Second Units • Guest Houses 	<p>Short-Term Rental License may be issued for the following: (staff ministerial)</p> <ul style="list-style-type: none"> • Primary dwelling • Second Unit <p>A performance deposit shall be posted with the City of Paso Robles per Council adopted fee schedule.</p>
Short-Term Rental with Additional Occupancy Gathering	<p>Administrative Use Permit (staff hearing with consideration of underlying zoning)</p> <p>The Community Development Director may approve one Additional Occupancy Gathering per calendar year.</p>	<p>Administrative Use Permit (staff hearing with consideration of underlying zoning)</p> <p>The Community Development Director may approve one Additional Occupancy Gathering per calendar year.</p>
Short-Term Rental with Parking Exception	<p>Administrative Use Permit (staff hearing with consideration of underlying zoning)</p>	<p>Administrative Use Permit (staff hearing with consideration of underlying zoning)</p>
<p>Bed & Breakfast Additional Occupancy Gathering and Food Service (San Luis Obispo County health permit)</p>	<p>Conditional Use Permit (Planning Commission hearing)</p>	<p>Not permitted</p>

Responsible Party Designation

One of the key issues the Task Force identified was the need for both short-term rental owners and guests to be respectful of residential neighborhoods. This section sets specific requirements for property owners, rental agents and guests to both know and follow City rules and good neighbor guidelines.

Operational Requirements

This section sets limits for the number of people that can occupy a short-term rental and off-street parking requirements. This section requires the City to prepare a "Good Neighbor Brochure" and for all renters to comply with its requirements. A third party Hotline Response would be established to notify owners and agents of neighborhood complaints prior to involving the Police Department. The Hotline would be funded by short-term rental licensing fees.

Table 21.34.050.1. Maximum Short-term Rental Occupancy Table

Number of Bedrooms (sleeping rooms)	Off-street parking requirement Exception to parking standards may be granted with Administrative Use Permit (need exception process for Downtown historic sites , commercial)	Total of Overnight Occupants (7 p.m. to 7 a.m.)	Additional Daytime Occupants (7:00 a.m. to 7:00 p.m.)	Total Daytime Occupants Exception to occupant limits may be granted with Administrative Use Permit (Additional Occupants Gathering Permit)
0	1	2	2	4
1	1	4	2	6
2	2	6	3	9
3	3	8	4	12
4	4	10	5	15
5	4	12	6	18

Violations and Enforcement

This section provides an escalating process for addressing violations to the Short-Term Rental Ordinance ranging from warnings to revocation of the license.

3. Draft Ordinance / Policy Outline

The draft Ordinance forwarded to the Council was developed in full by the Task Force. Staff has added some minor refinements to the Task Force's draft that are shown in strike-thru and underline format. These refinements are primarily editorial in nature, and in no way affect the substance of the Task Force's recommendations. There are additional legal changes that will need to be made by the City Attorney prior to public hearing on the Ordinance. This draft Ordinance should be considered more of an outline of the City's Short-Term Rental policies rather than the final form of a Zoning Ordinance code text.

4. Statement Concerning Density of Short-Term Vacation Rentals

The Task Force discussed the idea of limiting the density or distribution of Short-Term Rentals throughout town. After lengthy discussions and research, the Task Force determined there were numerous issues with enforcement, equity, and cumbersome administration of density requirements. Consequently, a density restriction or separation requirement is not included in the draft Ordinance. However, the Task Force wanted to bring this issue to the City Council's attention, since many cities have decided to adopt this

requirement in response to neighborhood compatibility issues. The Task Force included the following statement:

Therefore, the Task Force recommends that both the Planning Commission and the City Council thoroughly examine the pros and cons of limiting density and numbers, and decide if density and numbers language should be included proactively in the final ordinance or retroactively through an amendment process if required.

Fiscal Impact

The collection of transient occupancy tax from short-term rentals is revenue positive to the City. In FY 15-16 the City collected \$247,000 from short-term rentals. Implementation of the Ordinance will require increased staff resources to administer, which could be offset by licensing fees and increased transient occupancy tax collections.

Recommendation

Option 3: Direct the Planning Commission hold public hearings on the Draft Short-Term Rental Ordinance, including any changes as desired by the City Council, as an amendment to the Zoning Ordinance.

Attachments

0. September 9, 2016 Short-Term Rental Task Force minutes
1. Short-term Rental Task Force's recommended Ordinance, with staff comments
2. Statement Concerning Density of Short-Term Vacation Rentals
3. Public Correspondence – Van Dame 01/26/2017



CITY OF EL PASO DE ROBLES
“The Pass of the Oaks”

SHORT-TERM RENTAL TASK FORCE
Minutes

Wednesday
September 9, 2016
9:00 A.M.

MEETING LOCATION:

PASO ROBLES CITY HALL/LIBRARY CONFERENCE CENTER
1000 SPRING STREET
PASO ROBLES, CALIFORNIA 93446

Task Force Members

Kathy Bonelli
William Haas
Stacie Jacob
Dan Jones
Meridith J Maahs
Mark McConnell
Jill Ogorsolka

Roll Call

Present William Haas, Dan Jones, Mark McConnell, Jill Ogorsolka
Absent Kathy Bonelli, Stacie Jacob, Meridith J Maahs,

1. Welcome

2. Public Comment

No public comments

3. Review of Draft Ordinance

Short-term rental Task Force made edits to draft 9/7/16 Short-Term Rental Ordinance on projection screen by consensus. The Task Force and audience had a lengthy discussion of issues and options for renting Guest Houses as short-term rentals.

4. Discussion of Short-term Rental Density / Separation issues

Short-term rental Task Force made reviewed and discussed two versions of a document entitled “Statement Concerning Density of Short Term Vacation Rentals” submitted by Task Force members Jones and Haas.

5. Recommendation(s) to City Manager

Motion by Task Force Member Ogorsolka and seconded by Task Force Member Jones to recommended a draft Short-Term Rental Ordinance (Attachment 1) and Statement Concerning Density of Short Term Vacation Rentals (Attachment 2) to the City Manager.

Ayes	Haas, Jones, McConnell, Ogorsolka
Noes	none
Abstain	none

Motion passes 4-0.

6. Next meeting

Short-Term Rental Task Force has completed its assignment and no additional meeting was scheduled.

7. Adjourn

Adjourn 10:20 a.m.

Chapter 21.34. Short-term Rental Ordinance

21.34.010. PURPOSE

This section shall be known as the Short-term Rental Ordinance (STRO). The purpose of the STRO is to balance the following community objectives:

- Protection of residential neighborhoods and quality of life
- Encouraging compliance
- Maximize Transient Occupancy Tax collections
- Ensure a "Level Playing Field" for all lodging businesses regardless of size and type
- Create realistic and enforceable regulations
- Provide rules that "fit" Paso Robles

21.34.020. DEFINITIONS

A. Additional Occupancy Gathering -

An occurrence or social occasion or other activity that involves a gathering of persons, exceeding the legal number of night-time and day-time occupants (see occupancy table).

B. Additional Occupancy Gathering Permit -

The Administrative Use Permit issued by the City of Paso Robles ~~in response to a completed permit application~~ in addition to a Short-Term Rental License.

C. Agent -

A person authorized by the Owner to act on the Owner's behalf consistent with the requirements of this ordinance.

D. Applicant -

The owner or agent who submits an application for a Short-Term Rental license.

E. Bed & Breakfast -

A Short Term Rental consisting of 3 to 5 rooms with a San Luis Obispo County Health Permit for food service. Align with current code definitions keep CUP requirement / allow events.

F. Bedroom / Sleeping room -

A legally established area of a Short-Term Rental normally occupied for human habitation, ~~include~~ including minimum habitable room requirements ~~of~~ consisting of the following:

1. Four walls to the ceiling, at least one of which is located along an exterior wall with an exiting window, with a minimum of 70 square feet and 7 feet minimum width.
2. Ventilation (natural or mechanical)
3. Heating
4. Smoke detector
5. Carbon monoxide detectors~~s~~.
6. Compliant emergency escape egress window~~s~~.
7. Exceptions may be granted for "historic" homes where it can be demonstrated the bedroom existed prior to the City requirement for building permits.

G. Business License

~~A "Business License" refers to a~~ A non-regulatory, City Business License Tax as defined in Section 5.04 of the Paso Robles Municipal Code that is required to be obtained by anyone doing business within the City limits and must be renewed annually.

H. City Manager –

The person acting in the capacity of or holding the position of City Manager of the City of El Paso de Robles or the City Manager's designee.

I. Compensation -

Any consideration of any kind, including without limitation money, services, or goods, of any kind or in any amount.

J. Floor plan –

A scaled drawing showing the size and use of all rooms within a residential dwelling.

K. Good cause –

~~Good cause defined to clarify~~ Clarification of the primary findings for the denial, suspension, revocation of a Short-Term Rental license or placement on the city's Watch List.

Any of the following, but not to exclusivity, constitute good cause:

1. The Applicant, Owner, ~~the~~ Owner's Agent, or ~~the~~ Local Contact Person has failed to comply with any of the terms, conditions, or provisions of this Chapter or any relevant provision of this code;

City of Paso Robles - Short-Term Rental Task Force
September 7, 2016 - Draft Short-Term Rental Ordinance
(Staff recommended changes shown in strike thru and underline)

2. The Applicant, Owner, Owner's Agent, or Local Contact Person has failed to comply with any special conditions that were placed upon the Short-Term Rental; or
3. The Short-Term Rental has been operated in a manner that adversely affects the public health, welfare, security or ~~the~~ safety of the immediate neighborhood in which the unit is located.
4. Renters of the unit have displayed a pattern of behavior out of compliance with the short-term rental ordinance ~~—~~, or good neighbor guidelines.

L. Good Neighbor Brochure –

The document prepared by the City of Paso Robles City Manager that summarizes general rules of conduct, consideration, and respect, including without limitation provisions of the Paso Robles Municipal Code applicable to or expected of all residents of the City including transient visitors.

M. Guest House –

A residential occupancy building with a sleeping room and bathroom that is accessory to a primary single-family residential dwelling and may be attached or detached. A guest house does not include a legally permitted kitchen. Guesthouse are intended to be occupied by the same household as the primary dwelling and may not be leased or rented to a separate household.

N. Homestay –

An owner-occupied and owner-managed short term rental. Same as "home share" or "owner share".

O. Hotline –

The telephonic service operated by or for the City for the purpose of receiving complaints regarding the operation of any Short-Term Rental. The purpose of the hotline is to forward complaints to the appropriate local contact person or law enforcement agency and to compile the Short-Term Rental /event house data base of all such calls.

P. Hotline data base –

The electronic and/or hard-copy file maintained by the City listing all complaints lodged against short-term rentals, which document at minimum:

1. Date and Time of complaint
2. Nature of the complaint
3. Location of the property named in the complaint
4. Complainant's name
5. Complainant's address
6. Complainant's contact information

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7. Steps taken by hotline attendant including:

~~8.a.~~ 8.a. The names & contact information of contacted responsible persons

~~9.b.~~ 9.b. Whether or not law enforcement was contacted

~~10.c.~~ 10.c. Date and times of all incident-related actions

~~**Q.A. Local contact person –**~~

~~The owner or agent who is available by phone twenty-four hours per day, seven days per week for the purpose of responding in person within 30 minutes to complaints regarding the condition, operation, or conduct of occupants of a short-term rental.~~

R.Q. Lessee –

The person or persons having an exclusive lease of a short-term rental for a term of ~~at (30)~~ consecutive days or less with express written consent of the lessor to operate.

R. Local contact person –

The owner or agent who is available by phone twenty-four hours per day, seven days per week for the purpose of responding in person within 30 minutes to complaints regarding the condition, operation, or conduct of occupants of a short-term rental.

S. Owner –

The person or persons, owner or owners, holding legal and/or equitable title to the short-term rental.

T. Owner-occupied –

The owner or agent ~~that~~ who occupies the premise of a home share during the entire rental period.

U. Parking Exception Permit

An exception to the short-term rental parking standards granted by the Zoning Administrator based on a historic condition or availability of off-site parking.

V. Performance Deposit

A cash deposit to the City in an amount set by City Council resolution.

U.W. Primary Dwelling –

A single family house in an R-1 zone or multiple units in a multi-family zone (~~i.e.g.~~ - duplex/triplex units).

V.X. Property –

A residential legal lot of record on which an event house, homestay, or vacation rental is located.

W.Y. Property Manager –

See agent.

X.Z. Rent -

The gross amount of compensation charged, whether or not received, for the occupancy of space in a vacation rental valued in money, whether to be received in money, goods, labor or otherwise, including all receipts, cash, credits and property and services of any kind or nature, without any deduction therefrom whatsoever. "Rent" shall include all charges to the transient associated with the occupancy of space in a short-term rental, including room rental rates, booking fees (collected by owner), cleaning charges, resort fees, and other similar costs. Refundable security deposit, taxes and 3rd party insurance shall not be considered rent.

Y.AA. Renter –

Any person staying in a Short Term Rental, other than the Owner or Agent.

Z.BB. Responsible person -

A renter of a Short-Term Rental who is at least twenty-one years of age and who shall be legally responsible for compliance of all occupants of the unit and/or their guests with all provisions of this chapter and/or this code.

AA.CC. Second Unit -

A legally established attached or detached second dwelling unit, on a single-family residential, T-3 or T-4 zoned lot with a primary dwelling. The second unit must have a kitchen, bathroom and sleeping room and is intended to be occupied by a second household that is independent of the household in the primary dwelling.

BB.DD. Short Term Rental –

One or more residential dwellings, including either a single-family detached or multiple-family attached unit, or any portion of such a dwelling, rented for occupancy or for which ~~compensation~~ Compensation is received, for purposes of dwelling, lodging, or sleeping purposes for a period of thirty (30) consecutive days or less, other than ongoing month-to-month tenancy granted to the same renter for the same unit.

CC.EE. Short-term rental License ("License") –

~~References to the "license" within this section refers to a~~ Any form or approval granted by the City to operate a Short-Term Rental.

DD.FF. Short Term rental permit application –

The registration form required for submission to the ~~city~~ City of Paso Robles in order to operate a short-term rental within ~~the~~ Paso Robles ~~city~~ City limits pursuant to the ~~city's~~ City's SRT Short-Term Rental Ordinance ~~0~~.

City of Paso Robles - Short-Term Rental Task Force
September 7, 2016 - Draft Short-Term Rental Ordinance
(Staff recommended changes shown in strike thru and underline)

EE.GG. Short Term rental license –

The document issued by the City of Paso Robles in response to a completed Short-Term Rental application including the receipt of fee payment, which allows, if approved, the operation of a Short-Term Rental pursuant to this ordinance.

FF.HH. Site Plan -

A scaled drawing showing the entire lot area, building footprint, and off-street parking space(s).

GG.II. Transient Occupancy Tax –

Refers to the taxing requirements of section 5.06 of the Paso Robles Municipal Code and San Luis Obispo County's Tourism Marketing District (TMD).

HH.JJ. Unit –

A house or room used as a Short-Term Rental.

I.KK. Vacation Rental House –

A Short Term Rental not occupied by the ~~owner~~Owner at the same time as it hosts a renter.

J.LL. Watch List –

A compilation of Short-Term Rentals the City Manager has identified on the basis of good cause as properties that warrant a higher level of oversight, scrutiny, review, or monitoring.

21.34.030. LICENSING REQUIREMENT

A. License Requirement

No Owner of a Short-Term Rental shall rent that unit for a period of 30 consecutive days or less without a valid Short-Term Rental License pursuant to this Chapter. The Owner or Agent shall submit an application to the City to license the property as a Short Term Rental. The licensing and permitting of Short Term Rentals shall comply with Table 21.34.030.1.

Table 21.34.030.1. Short Term Rental Licensing and Permitting Table

Rental Type	Home Share License (owner occupied)	Vacation House License
Short-Term Rental	Short-Term Rental License may be issued for the following: (staff ministerial) <ul style="list-style-type: none"> • Primary dwelling • Second Units • Guest Houses 	Short-Term Rental License may be issued for the following: (staff ministerial) <ul style="list-style-type: none"> • Primary dwellings • Second Units A performance deposit shall be posted with the City of Paso Robles per Council adopted fee schedule.
Short-Term Rental with Additional Occupancy Gathering	Administrative Use Permit (staff hearing with consideration of underlying zoning) The Community Development Director may approve one Additional Occupancy Gathering per calendar year.	Administrative Use Permit (staff hearing with consideration of underlying zoning) The Community Development Director may approve one Additional Occupancy Gathering per calendar year.
Short-Term Rental with Parking Exception	Administrative Use Permit (staff hearing with consideration of underlying zoning)	Administrative Use Permit (staff hearing with consideration of underlying zoning)
Bed & Breakfast Additional Occupancy Gathering and Food Service (San Luis Obispo County health permit)	Conditional Use Permit (Planning Commission hearing)	Not permitted

B. Business License Required

In addition to the licensing / use permit requirements shown in Table 21.34.030.1. all Short-Term Rentals shall also obtain a Business License that must be renewed annually.

C. Application submittal requirements

1. Name, address, email, telephone of owner
2. Name, address, email, telephone of agent
3. Address of short term rental property
4. ~~Identify the t~~Type of short term rental
 - a. Vacation rental house
 - b. Home share
 - c. Food Service (Bed and Breakfast)
5. Scaled floor plan indicating all interior rooms and numbering of all legally permitted bedrooms (sleeping rooms)
6. Site Plan Showing entire property and all on-site parking available for the short-term rental.
7. Acknowledgement of requirement to maintain a valid business license and pay transient occupancy taxes.
8. Agreement to allow City site review with notice.

D. City Review Process

The City shall review all complete applications consistent with the licensing requirements of Table 3.2.

E. Transferability

1. Upon change of property ownership, the new property owner shall be required to apply for a new short-term rental license, Additional Occupancy Gathering ~~Administrative Use~~ Permit and Parking Exception ~~Administrative Use~~ Permit.
2. Conditional Use Permit granted for Bed and Breakfasts shall transfer with the land upon sale.

F. Fees

Application and licensing fees shall be established by City Council resolution and adjusted as from time to time.

21.34.040. RESPONSIBLE PARTY DESIGNATION

A. Owner

The owner shall be responsible for compliance with all sections of this ordinance. The owner may authorize, in written notification to the City, a third party to act as their agent. The owner shall be responsible for any penalties resulting from any failures of an agent to comply with the ordinance.

B. Agent

Any Agent authorized by the Owner shall actively ensure compliance with all sections of this ordinance

C. Renter / Responsible Person

The Owner or Agent shall enter into a written rental agreement with a Responsible Person that ~~includes the following:~~

1. ~~The Responsible Person will p~~Provides the Responsible Person's name, age, address, and a copy of a government issued identification.
2. Establishes the terms and conditions of the rental agreement, including occupancy limits, noise prohibitions, and vehicle parking requirements.
3. Requires the Responsible Person to acknowledge and agree that he or she is legally responsible for compliance of all occupants of the Short-Term Rental or their guests with all provisions of this Chapter and the Paso Robles Municipal Code.
4. Acknowledges the Responsible Person has received a printed copy of the "Good Neighbor Brochure" and agrees to have all occupants comply with the requirements.
5. ~~The Responsible Person p~~Provides number of all guests.
6. ~~The Responsible Person p~~Provides a list of all guests' vehicles, including license plate numbers.
7. Each rental agreement shall be maintained by the Owner or the Owner's Agent for a minimum of two (2) years and shall be readily available for inspection upon request of the City Manager.

D. Display of License Number

All short-term rentals shall be issued a unique identification license number by the City and subject to the following display requirements:

1. Internet, television, radio and print advertising – The license number shall be included will all internet, television, radio or print advertising of the unit.
2. Permit display inside unit – The City license shall be prominently displayed in the rental unit in a location visible to any renter.

3. Exterior posting – The license number may be displayed on the exterior of the unit at the owner’s option. The display area shall not ~~to~~ exceed 1 square foot and list only the license number. No additional commercial signage permitted.
4. The Planning Commission may approve a 2 square foot per side commercial sign for Bed and Breakfasts in conjunction with a conditional use permit.

21.34.050. OPERATIONAL REQUIREMENTS

A. Owner Responsibility

The Owner shall use reasonably prudent business practices to ensure the short-term rent unit complies with all applicable codes regarding fire, building and safety, health and safety, and all other relevant laws and codes.

B. Occupancy Table

The Owner shall limit both daytime and night occupancy consistent with Table 5.2.1. The number of bedrooms shall be shown on a floor plan submitted by the owner and verified by the City as legally permitted sleeping rooms. A short term rental shall not exceed five (5) bedrooms¹.

Table 21.34.050.1. Maximum Short Term Rental Occupancy Table

Number of Bedrooms (sleeping rooms)	Off-street parking requirement Exception to parking standards may be granted with Administrative Use Permit (need exception process for Downtown historic sites , commercial)	Total of Overnight Occupants (7 p.m. to 7 a.m.)	Additional Daytime Occupants (7:00 a.m. to 7:00 p.m.)	Total Daytime Occupants Exception to occupant limits may be granted with Administrative Use Permit (Additional Occupants Gathering Permit)
0	1	2	2	4
1	1	4	2	6
2	2	6	3	9
3	3	8	4	12
4	4	10	5	15
5	4	12	6	18

¹ The Americans with Disability Act provides an exception from the Public Accommodations definition for owner occupied establishments of not more than five (5) rooms.

C. Transient Occupancy Tax Payment

The Owner shall comply with all provisions of Chapter 5.06 of the Municipal Code concerning transient occupancy taxes, including, but not limited to, submission of a monthly return. The monthly return shall be filed each month regardless of whether the Short-Term Rental unit was rented or not during each such month.

D. Inspection requirement

The owner shall submit a self-certification statement that the property meets minimum life-safety standards.

E. Compliance with City Noise Standards

The owner shall notify all renters of the City's noise ordinance requirements PRMC 9.07.020. All Short-Term ~~rentals~~ Rentals shall comply with the requirements of the City's noise ordinance.

F. Good Neighbor Brochure

The City shall prepare a Good Neighbor Brochure of best practices for the operation of ~~short~~ short-term rentals. The owner shall provide the Responsible Person or post within the Unit one physical copy of the Good Neighbor Brochure. A at minimum ~~The~~ Brochure will address the following neighborhood compatibility issues:

1. Trash and recycling storage and pick-up procedures
2. Parking requirements (on-site and off-site)
3. Noise
4. Occupancy limits and rules (day and night)
5. Local activity information and contacts
6. Best Practices for Pets
7. Recreation Vehicle / boat / trailer parking rules

G. Hotline Response requirement ~~✓~~

1. Owner/Agent shall respond in 30 minutes to a property complaint and ~~to~~ notify call center of the results.
2. If call center receives no response or follow-up from the Owner/Agent within 30 minutes, the call center will forward the complaint to the Paso Robles Police Department.
3. If address is not on the City's Short-Term Rental License list, the Call Center will call the Police Department immediately.

H. City Manager Authority

The City Manager shall have the authority to establish administrative rules and regulations consistent with the provisions of this Chapter for the purpose of interpreting, clarifying, and enforcing the requirements of this Chapter.

21.34.060. VIOLATION AND ENFORCEMENT

A. Warnings

Short-term rental operators or renters that fail to comply with the short-term rental ordinance may be issued verbal or written warnings or correction. Gross violations may be subject to citation without warning and may be required to submit fees, taxes and penalties for the period of illegal operation-

B. Citations

Administrative citations shall be issued for multiple and/or gross violations of the noise, parking or occupancy requirements of this code consistent with PRMC 1.03.010.

C. Watch List

Short-Term Rentals units with multiple warnings and/ or citations shall be added the City Manager Watch list.

D. Revocation

The City Manager may suspend or revoke a Short-Term Rental License for units on the Watch List that continue to be out of compliance with Ordinance. Any revocation or suspension determination maybe appealed to the Planning Commission.

E. Reinstatement

Property owners may apply for re-instatement of a Short-Term Rental license no sooner than 1-year from the date of revocation. Reinstatement will be contingent on Zoning Administrator approval following a public hearing.

Attachment 2

Recommended by short-Term Rental Task Force

September 7, 2016

Statement Concerning Density of Short Term Vacation Rentals

The task force, at various times during our sessions, discussed the issues of density and overall numbers of vacation rental units in our community. While researching other communities' ordinances governing vacations rentals, we found that some communities have no density or number limitations, while others have very strict and specific restrictions. The decision to include or exclude such limits was guided by the needs and desires of each individual community.

In some communities, the inclusion of density and number limitations occurred through the amendment process *after* the initial ordinance governing vacation rentals was instituted, including several long-standing regulations. These decisions were the direct result of complaints and referendums by local residents and businesses. Noise, lack of parking, reduction in affordable housing, and loss of neighborhood identity were common themes of these community actions.

Some examples of these actions include the following:

1. In a news story aired 23 February 2016 on KXAN, the Austin, Texas NBC television affiliate reported: "In a special meeting on Tuesday, the Austin City Council voted 6-5 to stop the allowance of Type 2 short-term rentals. Type 2 short-term rentals are homes that are not occupied by the homeowner.

The ordinance stops licensing any future Type 2 STRs, but those already licensed will be allowed to continue operating, at least for the time being. The council said the plan is to ultimately phase out Type 2 STRs permanently." Availability of local housing to residents was the primary deciding factor in the majority vote.

2. Durango (CO), whose vacation rental ordinance dates back to 1989 has seen three revisions of its code, the most recent of which occurred in 2015, when the Durango City Council (from its Web site) "Following significant public outreach, research on the issue" decided an overall number of vacation rentals that will be allowed in its EN-1 and EN-2 zone districts. Additionally, the Council instituted a strict buffer to prevent clustering of vacation rentals.

3. Carlsbad (CA) has approached community dissatisfaction with vacation rentals by limiting non-owner occupied rentals to its coastal zone, which already supports a robust tourist infrastructure.
4. Palm Springs (CA), after which our vacation rental ordinance was modeled is now considering an ordinance to prohibit converting apartments into vacation rentals while also imposing a moratorium on vacation rental homes. On 13 July 2016 the City Council voted 4-0 on an "urgency ordinance" to place a moratorium on apartment buildings of five or more units from becoming a vacation rental.

In one of our last sessions, the task force committee agreed that including language pertaining to density and numbers in the draft ordinance was beyond our responsibility and expertise. This discussion and subsequent decision should encompass accurate staff input concerning existing vacation rental numbers and locations, public input, and a study of comparable communities' actions when faced with similar issues.

Therefore, the task force committee recommends that both the Planning Commission and the City Council thoroughly examine the pros and cons of limiting density and numbers; and decide if density and numbers language should be included proactively in the final ordinance or retroactively through an amendment process if required.

January 26, 2017

Mayor Steven W. Martin & City Councilmembers
City of Paso Robles
1000 Spring Street
Paso Robles, CA 93446

Honorable Mayor Martin, Councilmembers,

We are unable to attend the January 31 workshop to review the draft Short-Term Rental Ordinance, so we are submitting our comments in writing for consideration by the City Council. We operate a short-term rental located at 220 Pacific Avenue.

Our primary concerns regard certain proposed requirements at clause (C) under 21.34.040 - Responsible Party Designation:

- Item 1 requires, in part, that the Responsible Person provide a copy of a government-issued identification. This is problematic, as our reservations are booked on-line through VRBO/Homeaway. Consequently, we do not typically have a face-to-face transaction as with hotels, in which such an ID check is convenient and secure for the client. In our situation, about the only way we could achieve this check would be to have the client send us an electronic copy of their ID. Most reasonable people would be very reluctant to entrust a business with such. Moreover, we do not see that the City has a compelling need to require the collection of this personally identifiable information. This requirement is not necessary for the City to protect its interests in either TOT collection or enforcement of the STR ordinance or any other relevant ordinances.
- Item 6 requires a list of all guest's vehicles, including license numbers. Collection of this information seems an unnecessary burden on our clients, who may not decide which vehicle(s) they will use until the time of their visit. And, maintaining a record of the vehicle information is unnecessarily burdensome on us. We say this is unnecessary because we do not see that the City has a compelling need to require the collection of this information. For example, if one of our renters were to violate the City parking ordinance, the vehicle make, model, and license information will be present at the scene of the violation.
- Item 7 may or may not be problematic depending upon the nature of records required. We currently rely on VRBO/Homeaway to maintain electronic records of our transactions, including a PDF copy of rental agreement to which the client must agree prior to our accepting the booking. This information can be easily retrieved if and when the City Manager requests it. Hopefully this would meet the requirement. We oppose any requirement to produce and maintain signed hardcopy records of rental agreements. Such a requirement would be unnecessarily burdensome.

January 26, 2017

Secondarily, we are concerned that the parking requirements (clause (B) under 21.34.050 - Occupancy Table) are more restrictive than necessary. It seems that the City's interests ought to be limited to protecting public safety and preventing neighborhood nuisances. Toward that end, restricting parking to legal curbside parking directly in front of the rental property would seem to be adequate.

In closing, we support an ordinance that harmonizes short-term rental operations with the community without imposing undue burdens on the tourists we serve or our business processes. We feel that this tourism sector, reasonably regulated, has much to contribute to the community, especially in terms of low-impact economic benefits. We hire local services, buy local supplies, and our renters buy local products and services too. From the City's fiscal standpoint, the annual TOT we generate has about equaled our property taxes, effectively doubling the tax revenue from this property.

Thank you for your consideration of these perspectives.

Sincerely,

Mike & Maggie Van Dame

